



7 May 2010

HILL & SMITH HOLDINGS PLC

Interim Management Statement

Hill & Smith Holdings PLC (“Hill & Smith” or “the Company”), the international group with leading positions in the supply of infrastructure products, galvanizing services and building and construction products to global markets, today ahead of its AGM issues its Interim Management Statement covering the period from 1 January 2010 to 7 May 2010. The Annual General Meeting will be held at 11.00 a.m. today at The Village, The Green Business Park, Shirley, Solihull, West Midlands, B90 4GW.

Group Overview

Following on from the strong performance in 2009, trading for the period has been in line with the Boards expectations with underlying profit before taxation* ahead of the same period prior year.

Infrastructure Products

Our UK roads business performed strongly, benefiting from the extended “*Highways Agency Managed Motorway Scheme*” and additional fiscal stimulus spend. Demand has remained robust for Varioguard (our temporary road safety barrier) and for our electronic variable message signs supplied by Techspan, with profitability materially ahead of last year. As announced on 5 May 2010 the additional orders won following the introduction of our new gantry product, will help maximise the revenue available from each project, such as that on the M1, and support further growth.

As expected, following lower order intake in the second half of 2009, the late cycle Pipe Supports business delivered lower revenue and profitability against the same period prior year. Recent improvements in the number of projects available for tendering and subsequent increase in the number and size of orders won indicate a return to more normal levels of activity in the second half of 2010. We remain confident of the longer term prospects in the power generation market.

In the US, our utility fabrication businesses have also experienced lower than expected demand levels and revenue and profitability were below prior year. An increase in the number of projects being tendered for provides grounds for optimism but the market remains competitive and still awaits any significant benefit from the US stimulus package. However, in April, we booked our first significant Zoneguard order with a seven month, ten kilometre job in West Virginia. Utilisation of the fledgling fleet is high and we have commenced the expansion of our capacity which is encouraging for the future.

Galvanizing Services

In the four months ended 30 April 2010 Galvanizing volumes were 4% below the prior year with a relatively stronger performance in the UK offset by that of France and the US. Adverse weather conditions severely impacted our US east coast operations in January and February and to a lesser extent the UK and France. Volumes have been steadily improving year on year since then and we are hopeful of this positive momentum continuing during the year. Despite rising zinc costs, margins remained strong due to the lower operational cost base and on-going efficiency improvements.

Building and Construction Products

Volumes in our steel lintel and residential doors operation improved further as national housebuilders increased their requirements. Demand in the roofing division remains subdued although recently there have been encouraging signs of some recovery. Industrial flooring remains highly competitive with increased price competition and lower volumes. Lower cost bases in all of these businesses have contributed to maintaining profitability at similar levels to prior year.



Finance

At the end of March 2010 the Groups net debt was £89.9m compared to £140.8m at the end of March 2009 and £87.6m at the year end.

Derek Muir, Group Chief Executive Officer, Hill & Smith Holdings PLC commented:

“Whilst the general trading environment continues to be uncertain, the niche market positioning of a number of our key businesses has delivered encouraging results in the period.

We are seeing signs of recovery in our other markets and with the Group’s operations well positioned in those markets, and with a lower cost base, we remain confident that overall the Group will continue to perform in line with expectations.”

* Non-Underlying items represent business reorganisation costs, property items, amortisation of acquisition intangibles, impairments, gains on disposal of available for sale financial assets, change in the value of financial instruments and net financing return on pension obligations.

Ends

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Notes to Editors

Headquartered in the UK and quoted on the London Stock Exchange (LSE: HILS.L), Hill & Smith Holdings PLC employs some 3,000 staff operating in 5 countries. In the year to 31 December 2009, it generated revenues of £389.7 million.

The Group’s operations are organised into three business segments:

Infrastructure Products which supplies products and services such as permanent and temporary road safety barriers, overhead sign gantries, street lighting columns, bridge parapets, demountable car parks, glass reinforced plastic railway platforms, variable road messaging solutions, traffic data collection systems, plastic drainage pipes and pipe supports for the power and LNG markets, energy grid components and security fencing.

Galvanizing Services, which provides zinc and other coatings for a wide range of products including fencing, lighting columns, structural steel work, bridges, agricultural and other products for the infrastructure and construction sectors.

Building and Construction Products which supplies in steel and other composite materials, products such as roofing systems, safety handrail and flooring, lintels and doors, all with a range of uses including those for large infrastructure projects involving schools and public buildings.