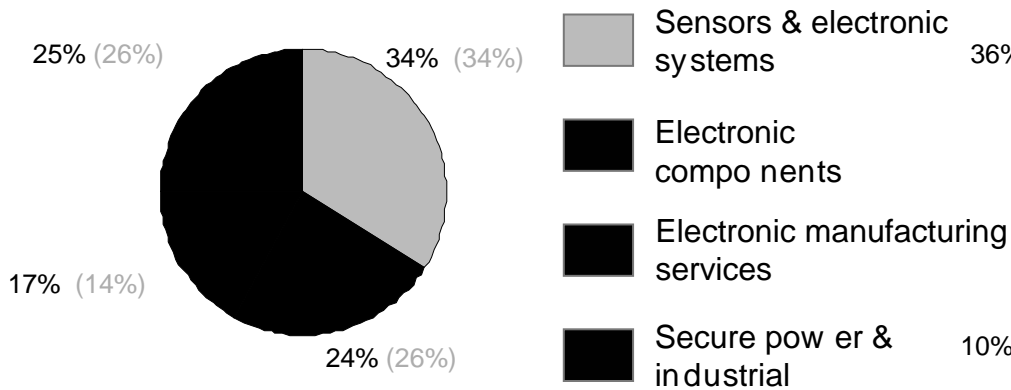




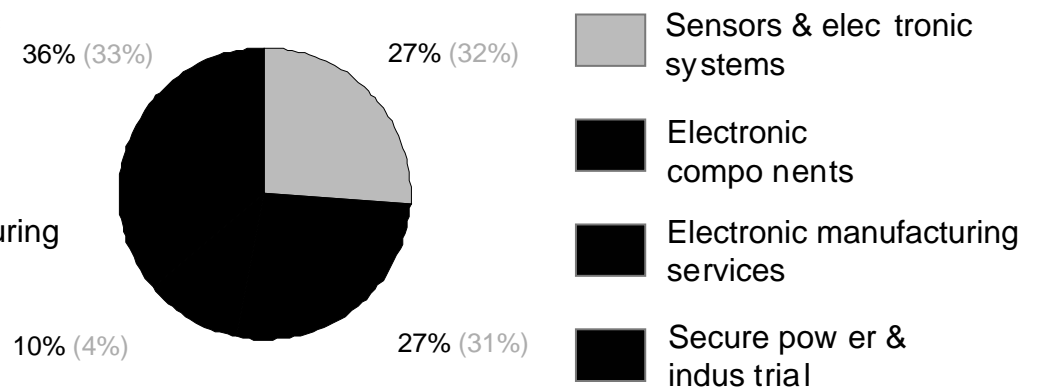
- Profit before tax and last year's exceptional item up by 7% to £33.3m
- EPS on constant currency basis 16.1p up 14% from 2006 (before exceptional item in 2006)
- Dividend maintained at a total of 10.05p
- Strong performance from sensors, secure power and industrial and a recovery in electronic manufacturing services
- Autopad<sup>®</sup> – BMW's approval to proceed to manufacture now received
- Further management action taken to improve underlying group profitability

- Focus on growth in core electronic markets
- Secure power and industrial sector continues to perform well with profit up 11%
- Low cost manufacturing accounts for 42% of workforce (2006: 39%)



### Revenue by sector

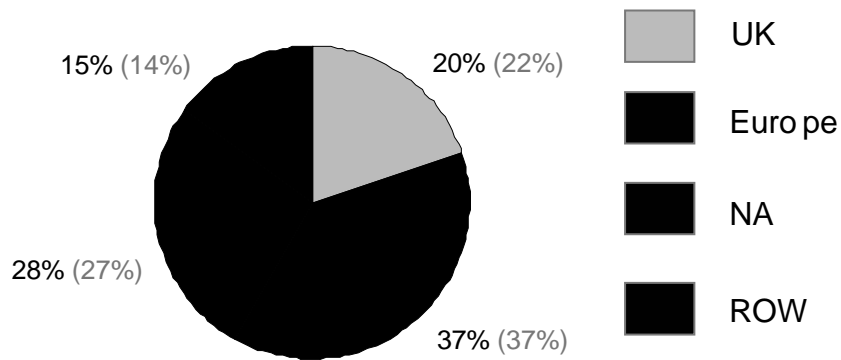
(Figures in brackets are 2006 figures)



### Operating profit by sector

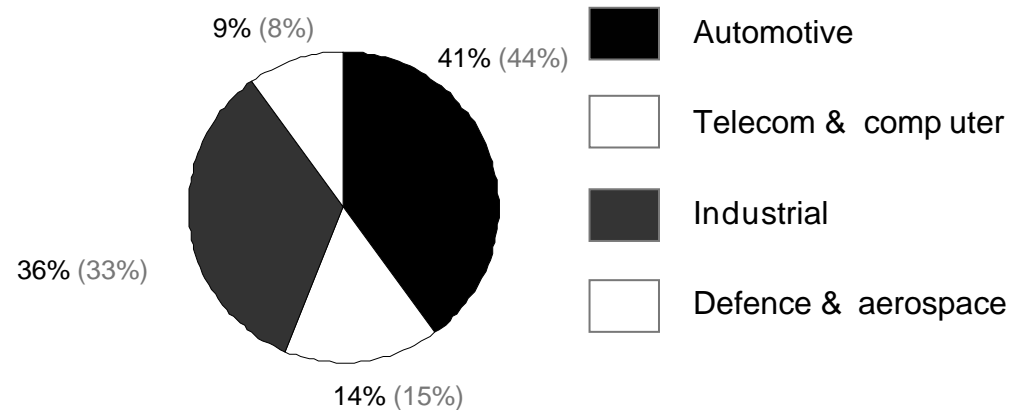
(Figures in brackets are 2006 figures)

- North American market slower overall
- Exposure to North American automotive 6% total group revenue (2006: 7%)
- Growth overseas offsets UK decline
- Stable European and Asian markets
- Defence showing good growth



Revenue by destination

(Figures in brackets are 2006 figures)



Revenue by market

(Figures in brackets are 2006 figures)

Revenue	£182.3m (2006: £184.8m)
Operating profit	£10.0m (2006: £11.6m)

## TARGETING

- Leading edge automotive sensor technology for position, speed, temperature and pressure sensors.
- European market growth of 6% + pa
- Leading supplier to key German automotive manufacturers 17% total group revenue (2006: 16%)
- Direct relationship with OEMs
- Developing direct sales channels in US, Korea and India
- Autopad<sup>®</sup> gaining traction and is now in production
- Reduced involvement in automotive electronic systems

## OUTLOOK

- North America market for automotive electronic systems difficult
- Challenging backdrop for 2008 but outlook for 2009 significantly more positive

## RESTRUCTURING FOR FUTURE GROWTH

Revenue	£131.2m	(2006: £139.9m)
Operating profit	£10.0m	(2006: £11.4m)

## TARGETING

- Low volume, high margin customer specific passive components
- Overall market growing at 3% with a move to smaller component sizes resulting in higher margins
- Distribution markets key; application engineers working with customers on design and build
- Growing customer specific microcircuit sales to defence, aerospace and automotive markets

## OUTLOOK

- Remaining difficult in US for passive components
- Europe and ROW are more robust
- Continue to transfer manufacturing to low cost economies

## A CHALLENGING GLOBAL MARKET

Revenue	£92.2m	(2006: £72.1m)
Operating profit	£4.1m	(2006: £1.3m)

## TARGETING

- A global market – providing high quality manufacturing services for defence, aerospace, medical and premium industrial markets
- Good underlying growth in the markets being addressed
- Direct sales channels in each region
- Moving to higher value design, build and logistics service

## OUTLOOK

- Benefiting from ability to provide quality low cost manufacturing
- Defence market growth
- Positive outlook in all territories with new business wins

## STRONG MARKET BACKDROP

Revenue	£139.2m (2006: £142.6m)
Operating Profit	£13.6m (2006: £12.2m)

## TARGETING

- Back-up and uninterruptible power systems are increasingly crucial in many locations worldwide
- Buoyant marketplace, 40% market share in Central America and good export potential
- Interconnection systems - targeting defence and traction markets with expanded global manufacturing capability

## OUTLOOK

- Strong demand and improving margin trend
- Outlook remains very positive

## GOOD UNDERLYING DEMAND

Financial Results

- Currency impact felt in both revenue and profits
- Continued strong underlying cash generation
- Pension fund deficit reduced further
- Gearing at 41% (2006: 45%)
- EPS 15.5p up 10% from 2006 (before exceptional item in 2006)
- EPS on constant currency basis 16.1p up 14% from 2006 (before exceptional item in 2006)

£Ms	2007 Full Year	2007 2 <sup>nd</sup> half	2007 1 <sup>st</sup> half	2006 Full Year
Revenue	544.9	274.4	270.5	539.4
Operating Profit	37.7	18.8	18.9	36.5
Exceptional item	-	-	-	8.8
Total operating profit	37.7	18.8	18.9	45.3
Net interest payable	(4.5)	(2.4)	(2.1)	(3.5)
Net finance cost of pension schemes	0.1	0.9	(0.8)	(1.8)
Profit before taxation	33.3	17.3	16.0	40.0
Taxation	(9.3)	(4.7)	(4.6)	(12.0)
Profit after taxation	24.0	12.6	11.4	28.0
Discontinued operation	(11.8)	2.7	(14.5)	-
Profit/(loss) after taxation	12.2	15.3	(3.1)	28.0

£Ms	2007 Full Year	2007 2 <sup>nd</sup> half	2007 1 <sup>st</sup> half	2006 Full Year
Profit for the period	12.2	15.3	(3.1)	28.0
Finance costs	4.6	1.5	3.1	5.7
Taxation	8.3	3.7	4.6	11.3
Pension curtailment gain	(1.1)	-	(1.1)	(8.8)
Loss on sale of business	12.3	(1.2)	13.5	-
Depreciation	21.7	10.8	10.9	23.2
Amortisation	9.6	4.9	4.7	9.1
Gain on sale of fixed assets	(2.7)	(2.6)	(0.1)	(2.0)
Other non-cash items	(1.2)	(1.2)	-	0.4
Additional payments to pension funds	(15.7)	(9.4)	(6.3)	(7.0)
Operating cash flow before movements in working capital	48.0	21.8	26.2	59.9

£Ms	2007 Full Year	2007 2 <sup>nd</sup> half	2007 1 <sup>st</sup> half	2006 Full year
Cash flow before working capital	48.0	21.8	26.2	59.9
Inventories	(5.3)	3.5	(8.8)	(0.8)
Receivables and derivatives	-	6.1	(6.1)	(6.6)
Payables	(0.9)	(8.0)	7.1	(14.0)
Exchange differences	1.1	2.1	(1.0)	(6.4)
Cash generated from operations	42.9	25.5	17.4	32.1
Tax paid	(7.3)	(4.4)	(2.9)	(7.0)
Capital expenditure	(29.4)	(14.4)	(15.0)	(20.6)
Development expenditure	(10.1)	(5.1)	(5.0)	(8.6)
Proceeds from sale of assets and grants received	7.1	3.8	3.3	7.1
Disposal and acquisition of business	10.8	10.8	-	(14.7)
Interest paid (net)	(4.7)	(2.7)	(2.0)	(3.8)
Ordinary dividend paid	(15.6)	(5.7)	(9.9)	(15.6)
Issue of shares	0.2	0.2	-	-
Movement of loans and finance leases	0.3	0.4	(0.1)	10.0
Increase in cash and cash equivalents	(5.8)	8.4	(14.2)	(21.1)

£Ms	December 2007	June 2007	December 2006
Non-current assets	181.6	174.5	177.7
Deferred tax asset	4.2	8.6	21.0
	185.8	183.1	198.7
Inventories	91.0	91.0	99.8
Receivables and financial instruments	95.1	95.9	105.2
Cash and cash equivalents	7.6	5.0	9.5
	193.7	191.9	214.5
Net assets of disposal group held for sale	-	15.2	-
Current payables and liabilities	(82.9)	(93.1)	(89.5)
Short-term borrowings	(16.8)	(21.5)	(11.5)
Net current assets	94.0	92.5	113.5
Total assets less current liabilities	279.8	295.6	312.2
Non-current provisions and liabilities	(14.3)	(12.2)	(13.6)
Long-term borrowings	(65.8)	(67.0)	(69.0)
Pension provisions	(17.4)	(33.0)	(72.6)
Total net assets	182.3	163.4	157.0

## 2008 outlook

- The US market is likely to remain subdued
- Continuing to move manufacturing to Asia resulting in short-term cost implications
- Actively recruiting to strengthen management team to position group for future growth
- Financial performance overall similar to 2007 with some restructuring costs in first half

## Looking further a head

- The relocation of our manufacturing base will further improve our competitive position
- Revenue from Autopad<sup>®</sup> will increase following acceptance from BMW
- The investment in R&D will increase the supply of products for our established sales channels
- Increased capital expenditure expected to improve future profit stream
- We are actively looking for bolt-on acquisitions which meet our investment criteria

- 2007 was a good year in profit terms
- Major step forward in disposal of AEI Cables
- Softening global backdrop likely to remain a feature of 2008
- Continued investment made in relocation of manufacturing facilities and product development
- Increased confidence in long-term strategy

Appendices

£Ms	Origin				Destination	
	Revenue		Operating profit		Revenue	
	2007	2006	2007	2006	2007	2006
United Kingdom	172.0	174.1	6.1	2.9	111.2	115.7
Rest of Europe	140.1	140.3	13.7	12.4	201.1	200.9
North America	173.2	166.7	12.9	15.8	149.5	145.6
Rest of the World	59.6	58.3	5.0	5.4	83.1	77.2
Total	544.9	539.4	37.7	36.5	544.9	539.4

£Ms	2007			2006		
	Revenue	Operating profit	ROS %	Revenue	Operating profit	ROS %
Sensors and electronic systems	182.3	10.0	5.5	184.8	11.6	6.3
Electronic components	131.2	10.0	7.6	139.9	11.4	8.1
Electronic manufacturing services	92.2	4.1	4.4	72.1	1.3	1.8
Secure power and industrial	139.2	13.6	9.8	142.6	12.2	8.6
Total	544.9	37.7	6.9	539.4	36.5	6.8