



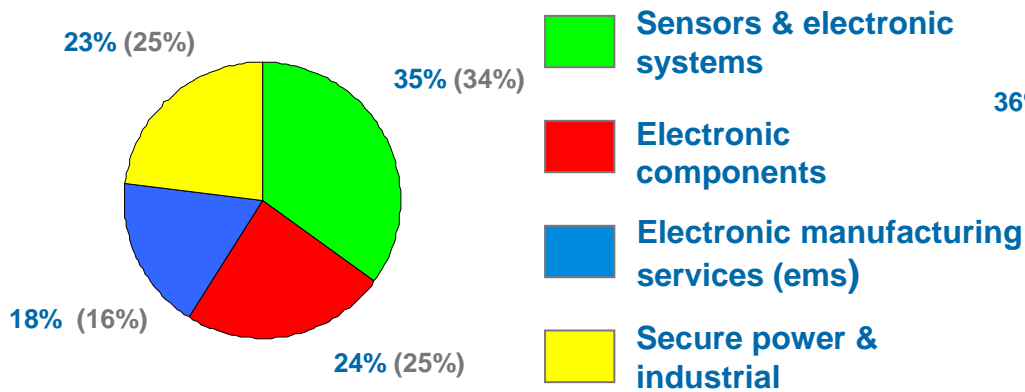
## 2008 Half-Year Results Presentation

## **Robust performance in difficult trading conditions**

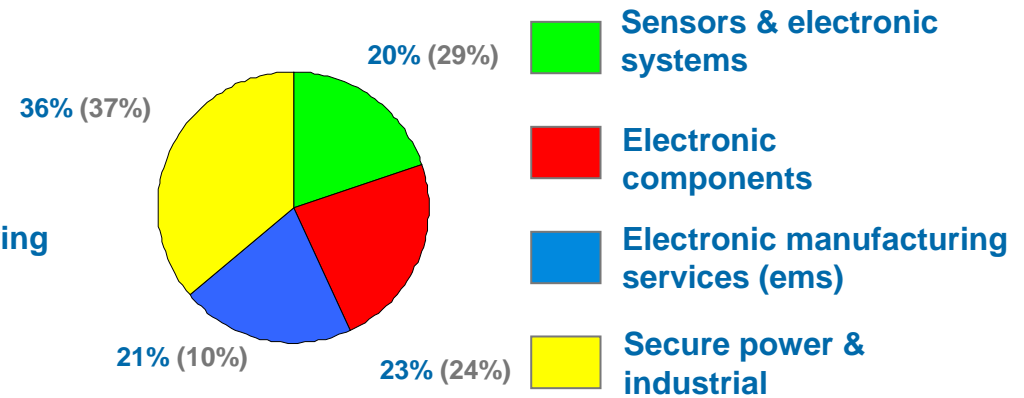
- Group revenue up 8% to £292m (2007: £270.5m)
- Profit before tax of £15m (2007: £16m)
- Earnings per share of 7.2p (2007: 7.4p)
- Interim dividend maintained
- New Group Chief Executive and Finance Director appointed

- Group structure
- Business review by division
- Financial highlights
- Outlook and summary
- Q and A

- Balanced portfolio across the Group
- Profitability of sensors and electronic systems affected by general trading conditions
- Growth in ems business
- Secure power and industrial continues to perform well

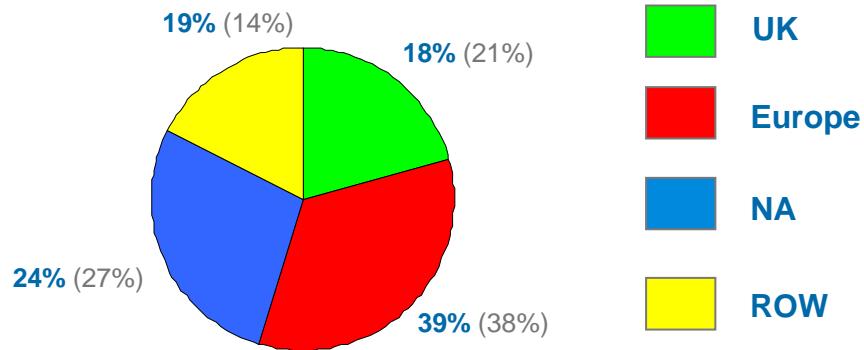


Revenue by sector

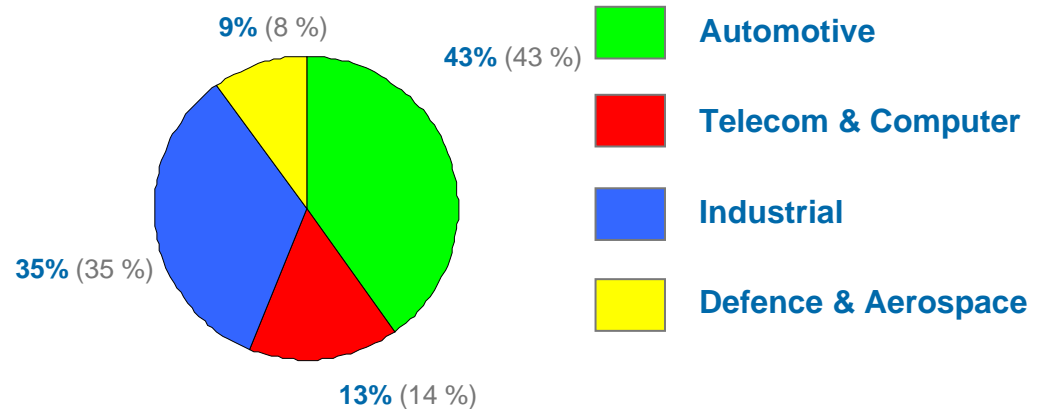


Operating profit by sector

- UK and North American markets slower
- China and Middle East markets have shown good growth
- Growth in defence and aerospace



Revenue by Destination



Revenue by Market

	2008 1st Half £m	2007 1st Half £m	2007 Full Year £m
<b>Revenue</b>	101.4	90.7	182.3
<b>Operating profit</b>	3.4	5.5	10.0

### 1<sup>ST</sup> HALF

- German OEM market in line with expectations
- North American market for both sensor and systems suffered poor underlying demand
- Impacted by industrial action at a parts supplier in the US
- First revenues generated from Autopad

### OUTLOOK

- North America automotive remains difficult
- Some deterioration in European automotive market
- Order book for Autopad building
- Closure of Forest Farm climate control plant announced – cost impact in 2nd half

	2008 1st Half £m	2007 1st Half £m	2007 Full Year £m
<b>Revenue</b>	<b>70.5</b>	<b>67.5</b>	<b>131.2</b>
<b>Operating profit</b>	<b>3.9</b>	<b>4.6</b>	<b>10.0</b>

### 1<sup>ST</sup> HALF

- Growth in specialist component products
- Operating profit affected by redundancy costs and industrial action at a US parts supplier

### OUTLOOK

- Softening in European automotive market
- Further opportunities in specialist component markets
- Acquisition of Semelab significantly strengthens position in the key military and aerospace markets

	2008 1st Half £m	2007 1st Half £m	2007 Full Year £m
<b>Revenue</b>	52.0	44.5	92.2
<b>Operating profit</b>	3.7	1.9	4.1

### 1<sup>ST</sup> HALF

- Very successful first half performance
- Good revenue growth especially in China
- Global footprint giving access to broader end markets
- Good margin business being won in military, telecom and medical

### OUTLOOK

- Underlying performance encouraging

	2008 1st Half £m	2007 1st Half £m	2007 Full Year £m
<b>Revenue</b>	<b>68.1</b>	<b>67.8</b>	<b>139.2</b>
<b>Operating profit</b>	<b>6.2</b>	<b>6.9</b>	<b>13.6</b>

### 1<sup>ST</sup> HALF

- Division has performed well in the 1<sup>st</sup> half
- Secure power operation strong in Mexico and UK
- New orders secured in Africa and Middle East
- Reduced demand from UK Military impacted Industrial operations
- New Chapel Electronics acquired – integration going well

### OUTLOOK

- Stable outlook in secure power
- UK and US Military orders improving

## 1<sup>ST</sup> HALF

- Resilient underlying sales growth
- Encouraging profit performance given economic backdrop
- Good cash generation and robust balance sheet

## OUTLOOK

- Continuing focus on improved working capital management

	2008 1 <sup>st</sup> Half £m	2007 1 <sup>st</sup> Half £m	2007 Full Year £m
<b>Revenue</b>	<b>292.0</b>	<b>270.5</b>	<b>544.9</b>
<b>Operating Profit</b>	<b>17.2</b>	<b>18.9</b>	<b>37.7</b>
Net interest payable	(1.8)	(2.1)	(4.5)
Net finance cost on pension schemes	(0.4)	(0.8)	0.1
<b>Profit before taxation</b>	<b>15.0</b>	<b>16.0</b>	<b>33.3</b>
Taxation	(3.9)	(4.6)	(9.3)
<b>Profit after taxation from ongoing activities</b>	<b>11.1</b>	<b>11.4</b>	<b>24.0</b>
Discontinued operation	-	(14.5)	(11.8)
<b>Profit after taxation</b>	<b>11.1</b>	<b>(3.1)</b>	<b>12.2</b>

	2008 1 <sup>st</sup> Half £m	2007 1 <sup>st</sup> Half £m
Profit before tax	15.0	16.0
Tax	(3.9)	(4.6)
<hr/> Earnings	<hr/> 11.1	<hr/> 11.4
Average number of shares (million)	155.0	154.8
<hr/> Earnings per share – basic (pence)	<hr/> 7.2p	<hr/> 7.4p
Dividends per share (pence)	3.69p	3.69p

	June 2008 £m	June 2007 £m	December 2007 £m
Fair value of assets	282.1	286.9	298.2
Liabilities	(302.8)	(319.9)	(315.6)
Deficit	(20.7)	(33.0)	(17.4)

- UK pension schemes merged in 2007
- Company commitment to eliminate IAS19 deficit by 2014
- Salary freeze and increase in members' contributions at time of merger

	2008 1 <sup>st</sup> Half £m	2007 1 <sup>st</sup> Half £m
Operating profit	17.2	18.9
Depreciation and amortisation	16.9	15.6
Working capital	(10.2)	(7.8)
Special pension fund payment	-	(5.5)
Other	-	(3.8)
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Operating cashflow	23.9	17.4
Tax and interest	(3.2)	(4.9)
Capital and development expenditure	(19.6)	(20.0)
Proceeds from sale of fixed assets	2.3	3.3
Acquisition – New Chapel	(4.2)	-
Dividends	(9.9)	(9.9)
Other	1.4	1.6
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Net cashflow	(9.3)	(12.5)
Opening net debt	(75.0)	(71.0)
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Closing net debt	(84.3)	(83.5)
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	2008 June £m	2007 December £m	2007 June £m
Non-current assets	192.3	181.6	174.5
Deferred tax asset	5.2	4.2	8.6
	<b>197.5</b>	<b>185.8</b>	<b>183.1</b>
Inventories	97.2	91.0	91.0
Receivables and financial instruments	108.8	95.1	95.9
Cash and cash equivalents	6.5	7.6	5.0
	212.5	193.7	191.9
Net assets of disposal group held for sale	-	-	15.2
Current payables and liabilities	(99.0)	(82.9)	(93.1)
Short-term borrowings	(25.3)	(16.8)	(21.5)
<b>Net current assets</b>	<b>88.2</b>	<b>94.0</b>	<b>92.5</b>
<b>Total assets less current liabilities</b>	<b>285.7</b>	<b>279.8</b>	<b>275.6</b>
Non-current provisions and liabilities	(13.0)	(14.3)	(12.2)
Long-term borrowings	(65.5)	(65.8)	(67.0)
Pensions	(20.7)	(17.4)	(33.0)
<b>Total net assets</b>	<b>186.5</b>	<b>182.3</b>	<b>163.4</b>

- Robust first half performance
- Trading conditions for second half likely to be difficult with weaker demand, particularly for automotive sensors in Europe
- Specialist electronic products and secure power more resilient



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