



**Results for the 12 months
ended 31 May 2011**

Presented by:

Steve McQuillan – *Chief Executive Officer*

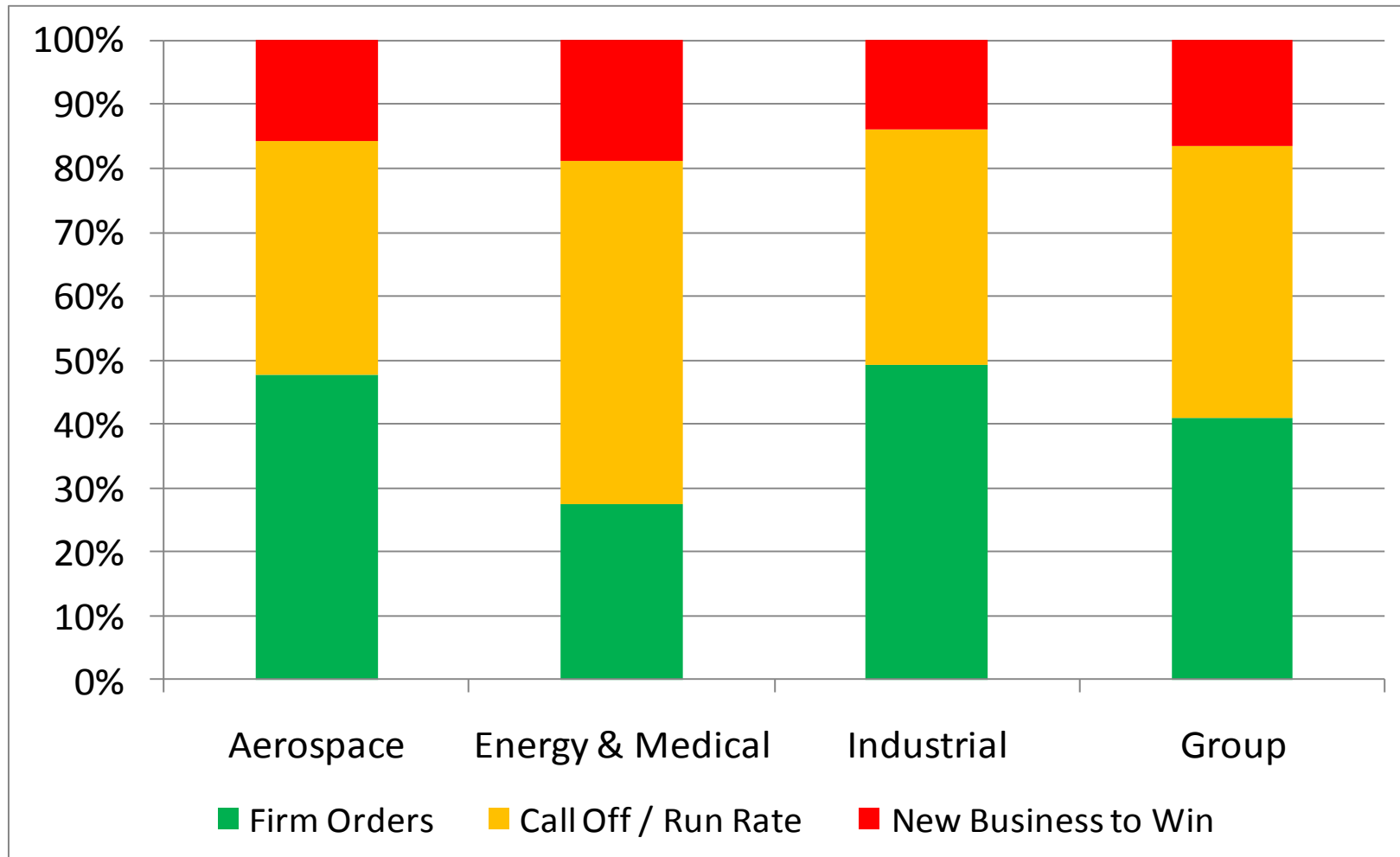
Stephen King – *Chief Financial Officer*



FY11 Outcome in line with previously upgraded market expectations

- **Turnover** increased **27%** year on year to **£36.3m** (2010: £28.6m)
- **Strong performances** by Aerospace and Industrial, Energy and Medical back in profit:
 - Aerospace grew **32%** and achieved **8%** EBIT – China in profit for the full year
 - Industrial Products grew **56%** and achieved **10%** EBIT – biggest ever contract signed
 - Energy and Medical grew **6%** and returned a profit of **2%**, despite losses at Crown
- **Operational Excellence** programme being implemented in all three divisions
- **Final Dividend** reinstated at **0.4p** per share (2010: Nil)

Stable base: Order Book FY12



as at May 2011

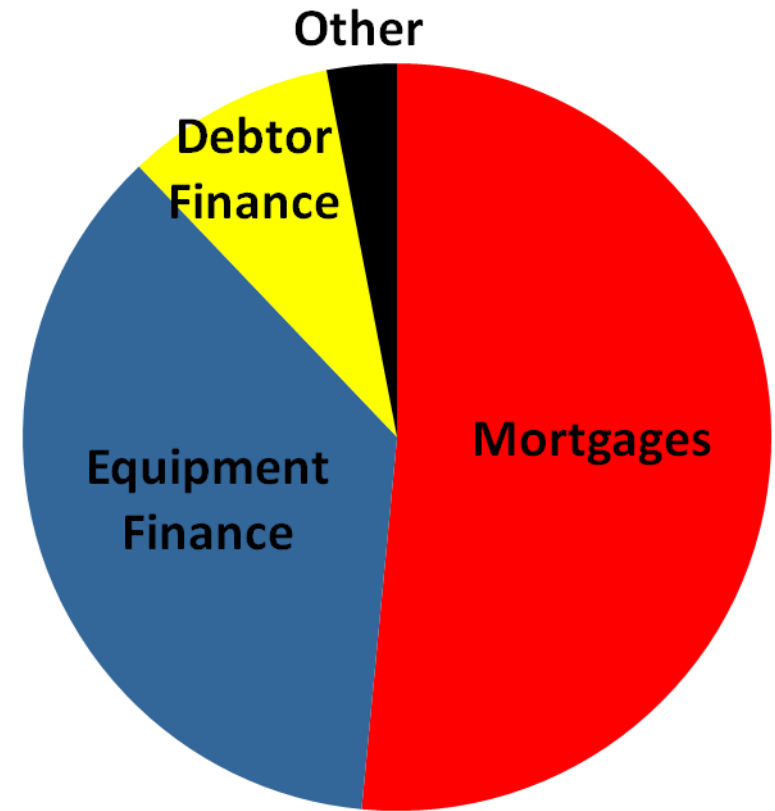
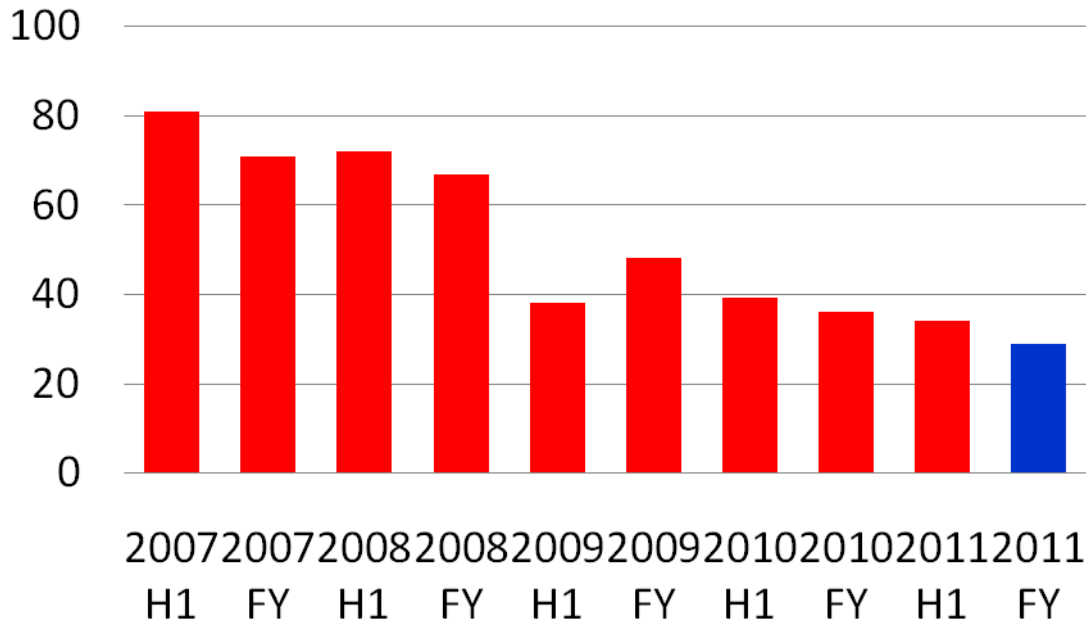
Financial Highlights (comparisons vs FY10)

- **Turnover** increased **27%** year on year to **£36.3m** (2010: £28.6m)
- **Gross Profit Margin** **29%** (2010: 26%) sustaining improvement seen in first half
- **EBITDA** up by **32%** to **£3.3m** (2010: £2.5m – NB - included £0.9m warranty settlement)
- **EPS 5.5p** Fully diluted adjusted (2010: 3.0p)¹
- **Cash flow** from operations **£3.0m** (2010: £3.8m, including £0.9m warranty)
- **Net debt** reduced by **15%** to **£6.6m**, (2010: £7.8m). **Gearing** reduced to **29%** from 36%

¹ – fully diluted earnings per share adjusted to add back amortisation of intangibles from business combinations and exceptional items

Stable base: Gearing and Debt

Gearing now 29%



Net Debt: £6.6m
Asset Backed

Profit and Loss Account

		FY11	FY10
		£m	£m
Turnover		36.3	28.6
Gross Profit		10.7	7.5
Gross Profit margin		29%	26%
EBITA		1.9	0.9
EBITA Margin		5.2%	3.3%
PBT (pre-goodwill)		1.6	0.6
EPS	Adj. Fully Dil. ¹	5.5p	3.0p
	Basic	4.9p	2.4p

¹ – fully diluted earnings per share adjusted to add back amortisation of intangibles from business combinations and exceptional items

Balance Sheet

	FY11	FY10
	£m	£m
Fixed Assets	10.9	10.9
Goodwill	10.2	10.2
Other Intangibles	2.0	2.0
Working Capital	8.5	8.3
Tax	(0.8)	(0.4)
Net Debt	(6.6)	(7.8)
Deferred Consideration	(0.1)	(0.1)
Deferred Tax	(1.2)	(1.4)
Net Assets	22.9	21.7
Gearing	29%	36%

Cash Flow

	FY10	FY10
	£m	£m
EBITDA	3.3	2.5
Net Working cap	(0.3)	1.3
Interest, Tax and Other	(0.4)	(0.3)
Capex	(1.3)	(1.2)
Net Cash Flow	1.3	2.3
Opening Net Debt	(7.8)	(10.1)
Foreign Exchange	(0.1)	-
Closing Net Debt	(6.6)	(7.8)

Aerospace Division

Sigma



...a local source...
...to a global capability...

Sigma performance boosted by long term agreements:

- ITA, Eaton and Meggitt contracts going well
- Sigma China made a profit in FY11
- Strong order book and prospects

C&H introducing new equipment and capabilities:

- Providing wider service offering to customers
- **£5m** contract extension signed with Rolls Royce

	FY11	FY10	Change
	£m	£m	
Turnover	12.7	9.6	32%
EBIT	1.0	0.1	
EBIT Margin	8%	1%	





	FY11	FY10	Change
	£m	£m	
Turnover	13.0	12.2	6%
EBIT	0.2	(0.1)	
EBIT Margin	2%	(0%)	

Metalcraft - steady recovery continues:

- Medical: Siemens new product progressing in UK & China
- Power: Cummins volumes on-target and increasing
- Nuclear: further decommissioning work in pipeline
- Marine: niche business delivering good margins and prospects



Crown – road contracts delayed, but prospects are strong

- The business made a loss in FY11, after excellent FY10
- Costs minimised and new markets under development



JENA TEC

Jena Tec experienced a strong market recovery in FY11:

- Broad spread recovery continued in H2, especially in Germany
- Some slowing of order intake noted in new financial year
- **Vertical integration:**
 - ▶ “Actuation” prospects bright following product launch
- **Geographic Expansion:**
 - ▶ US business expanding, distribution network strengthened
- **New Markets:**
 - ▶ Significant contract win in **Medical** market **£1.8m** / 3yrs

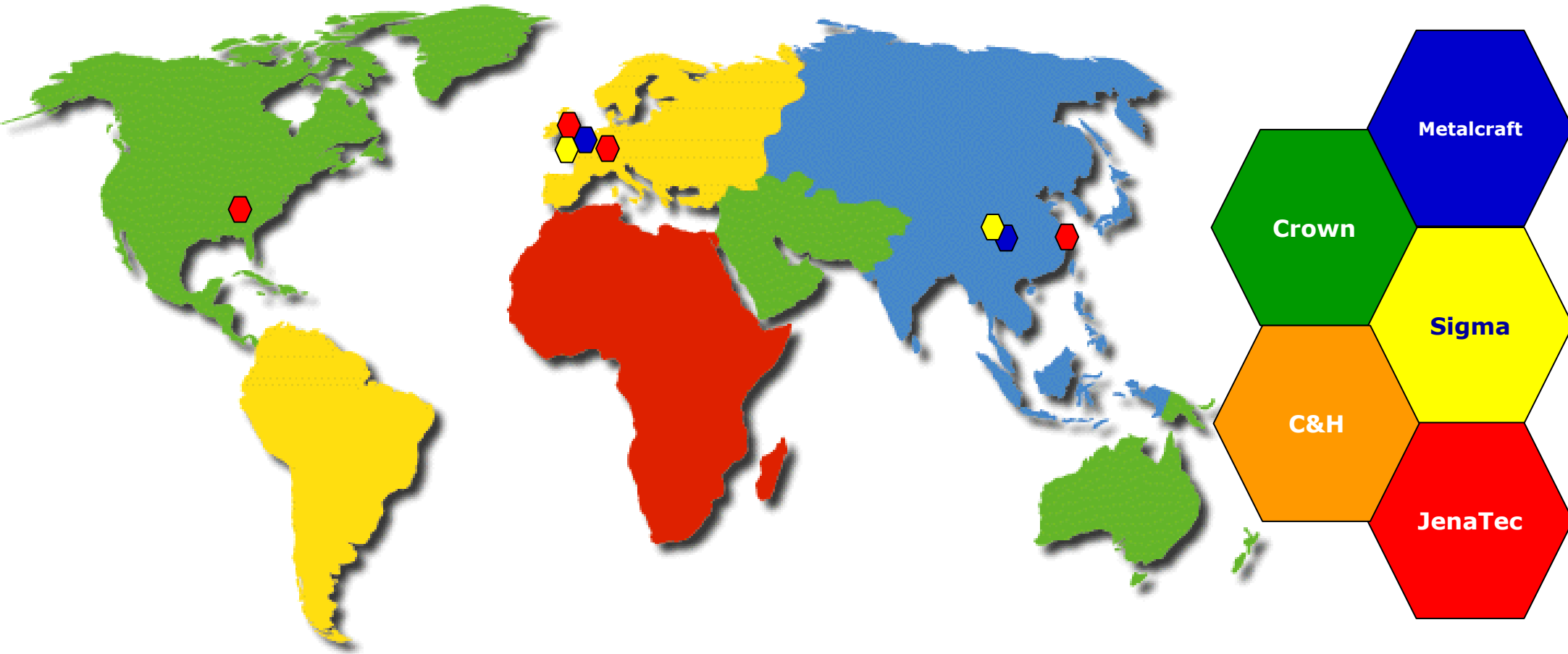
	FY11	FY10	Change
	£m	£m	
Turnover	10.6	6.8	56%
EBIT	1.0	0.1	
EBIT Margin	10%	1%	



What to expect in M&A?

- **Stated strategy of proactively seeking acquisitions to increase group scale**
 - Must be based on industrial logic – opportunity and value driven
 - Must take account of prevailing market conditions
 - Focus on Aerospace, Energy and Medical markets
- **Geographically:**
 - Developed market bias - eg UK or USA
- **Disposals:**
 - Consider disposals of any assets that become non-core

OEM Global Supply Chain Solutions



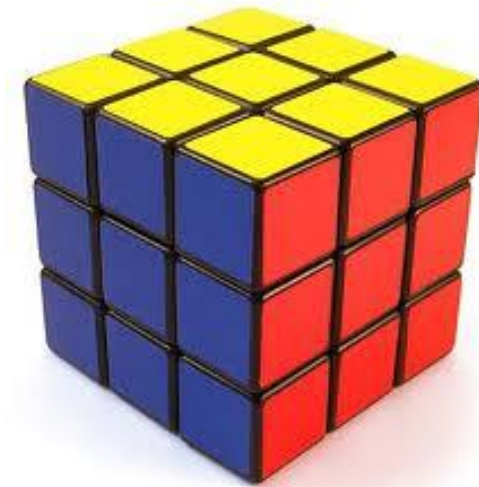
A Clear Strategic Focus

	Aerospace	Energy	Medical	EU	China	USA
Sigma	●	●		●	●	●
Jena Tec	●	●	●	●	●	●
Metalcraft		●	●	●	●	

Plus, the 4th Dimension. Margin Improvements through:

- Vertical integration & specialist service development

Avingtrans is a **Recovery Plus** opportunity



- Our **recovery** positions the Group well for FY12:
 - **New business** flow from blue-chip OEMs continues
 - Customers are recognising our worldwide **commitment** to them
- We remain **confident** about our prospects:
 - **Important contract wins** in Aerospace, Energy and Medical sectors
 - Supplying top customers **across** multiple markets – eg: Siemens; GE; Rolls Royce
- **We are determined to maximise shareholder value:**
 - Evaluating **possible compatible M&A** targets that could enhance returns
 - **Emphasised** by return to progressive dividend policy