



Preliminary Results Announcement

Year ended December 2002

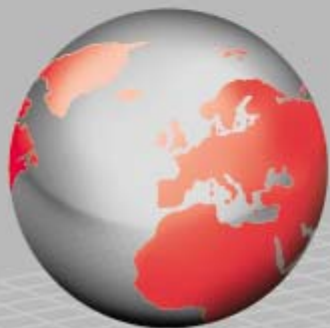




AUDITED PRELIMINARY RESULTS - 2002

Financial Highlights

- Turnover up £9.8m to £133.5m, a 7.9% increase, 12.4% at constant currency
- Operating margin on continuing operations up from 20.7% to 21.4%
- Profit before goodwill and tax up 6.2%
- EPS before goodwill up 7.5% to 21.6p
- Final dividend up 7.2% giving 13.9p for the full year - a 7.3% increase
- Order book closed near 2001 level

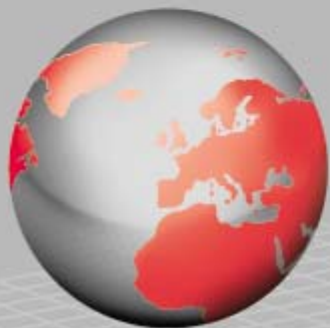




AUDITED PRELIMINARY RESULTS - 2002

Turnover

		2002 £m	2001 £m
Turnover underlying business	+2.4%	122.2	119.3
Turnover underlying business at constant currency	+6.6%	127.2	119.3
Turnover including Jordan (Continuing business)	+8.7%	129.7	119.3
Total turnover including disposal	+7.9%	133.5	123.7

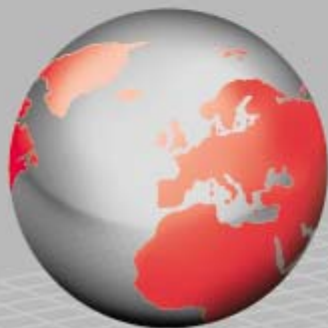




AUDITED PRELIMINARY RESULTS - 2002

Income Statement

	First Half	Second Half	Full Year
	£m	£m	£m
Turnover	65.0	68.5	133.5
EBITDA	13.7	15.5	29.2
Net profit before goodwill	12.8	14.7	27.5
Goodwill charge	0.7	0.6	1.3
Profit before tax	12.1	14.1	26.2
Order input 2002			134.1
Order input 2001			128.3
Order input 2000			112.9





AUDITED PRELIMINARY RESULTS - 2002

Geographical Analysis of Sales Output by Origin

	2002		2001	
	£m		£m	
Europe	62.5	48%	61.8	52%
Americas	45.4	35%	38.2	32%
Rest of the world	21.8	17%	19.3	16%
Continuing operations	<u>129.7</u>	100%	<u>119.3</u>	100%

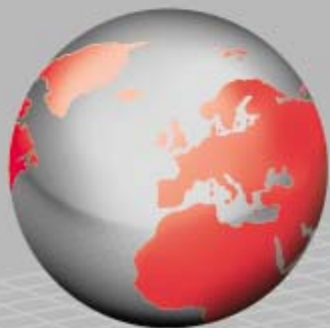




AUDITED PRELIMINARY RESULTS - 2002

Income Statement Extract

	2002		2001	
	£m		£m	
Turnover	133.5		123.7	
Gross profit	61.6	46.1%	57.8	46.7%
Gross profit:				
Underlying business		47%		47%
Jordan		45%		
RC&S		38%		43%





AUDITED PRELIMINARY RESULTS - 2002

Income Statement Extract

	2002		2001	
	£m		£m	
Turnover	133.5		123.7	
Gross profit	61.6	46.1%	57.8	46.7%
Distribution costs	1.7		2.1	
Administrative expenses	35.3		31.2	
• Goodwill	+£0.3m			
• Jordan	+£3.0m			
• Pension costs	+£1.1m			
• Insurance costs	+£0.2m			
• R&D	+£0.3m			

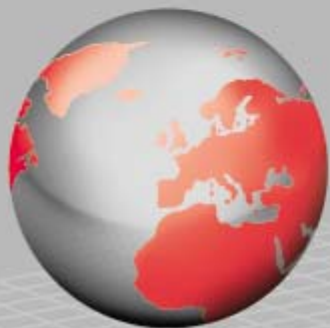




AUDITED PRELIMINARY RESULTS - 2002

Income Statement Extract

	2002		2001
	£m		£m
Turnover	133.5		123.7
Gross profit	61.6	46.1%	57.8 46.7%
Distribution costs	(1.7)		(2.1)
Administrative expenses	(35.3)		(31.2)
Other operating income / (expenses)	1.2		(0.3)
Net interest	0.4		0.6
Profit before tax	26.2		24.8

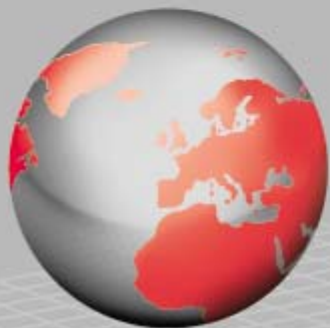




AUDITED PRELIMINARY RESULTS - 2002

Taxation

	2002	2001
	£m	£m
Profit before goodwill and tax	27.5	25.9
Tax	8.9	8.5
Effective tax rate	32.3%	33.0%

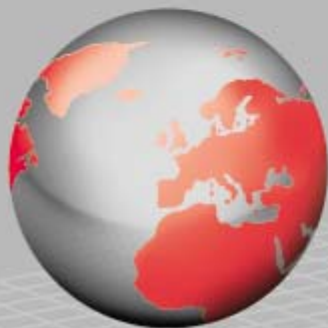




AUDITED PRELIMINARY RESULTS - 2002

EPS & Dividend

	2002		2001	
EPS				
• Basic	20.1p		18.9p	
• Basic before goodwill	21.6p		20.1p	
Dividend per share				
• Interim	5.00p	+7.5%	4.65p	+5.7%
• Final	8.90p	+7.2%	8.30p	+6.4%
• Total	13.90p	+7.3%	12.95p	+6.1%
• Cost of dividend	£12.0m		£11.1m	
• Dividend cover	1.5 times		1.5 times	

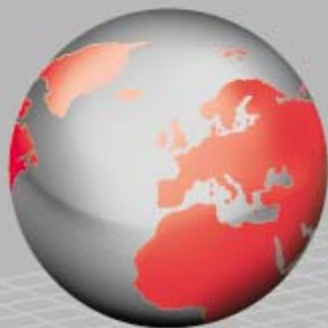




AUDITED PRELIMINARY RESULTS - 2002

Balance Sheet at 31 December

	Jordan opening	2002	2001
Fixed assets	£m	£m	£m
Intangibles	0.0	20.9	16.6
Tangible	<u>0.8</u>	<u>15.8</u>	<u>14.7</u>
	<u>0.8</u>	<u>36.7</u>	<u>31.3</u>
Current assets			
Inventory	1.5	17.7	18.0
Debtors	0.9	32.8	33.7
Cash	<u>0.2</u>	<u>20.4</u>	<u>22.2</u>
	<u>2.6</u>	<u>70.9</u>	<u>73.9</u>
Creditors	1.1	33.6	34.9
Net current assets	<u>1.5</u>	<u>37.3</u>	<u>39.0</u>
Long term Creditors	0.0	0.2	0.1
Provisions for liabilities and charges	<u>0.0</u>	<u>2.1</u>	<u>2.3</u>
TOTAL ASSETS	<u>2.3</u>	<u>71.7</u>	<u>67.9</u>





AUDITED PRELIMINARY RESULTS - 2002

Fixed Assets

	2002	2001	2000
	£m	£m	£m
Depreciation	2.2	2.0	1.9
Capital Spend	2.6	1.5	3.8
• Acquisition of Jordan added	0.8		
• Disposal of RC&S removed	(0.1)		

Closing NBV includes former RC&S building £1.0m





AUDITED PRELIMINARY RESULTS - 2002

Balance Sheet at 31 December

	Jordan opening	2002	2001
Fixed assets	£m	£m	£m
Intangibles	0.0	20.9	16.6
Tangible	<u>0.8</u>	<u>15.8</u>	<u>14.7</u>
	<u>0.8</u>	<u>36.7</u>	<u>31.3</u>
Current assets			
Inventory	1.5	17.7	18.0
Debtors	0.9	32.8	33.7
Cash	<u>0.2</u>	<u>20.4</u>	<u>22.2</u>
	<u>2.6</u>	<u>70.9</u>	<u>73.9</u>
Creditors	1.1	33.6	34.9
Net current assets	<u>1.5</u>	<u>37.3</u>	<u>39.0</u>
Long term Creditors	0.0	0.2	0.1
Provisions for liabilities and charges	<u>0.0</u>	<u>2.1</u>	<u>2.3</u>
TOTAL ASSETS	<u>2.3</u>	<u>71.7</u>	<u>67.9</u>





AUDITED PRELIMINARY RESULTS - 2002

Inventory

	2002	2001
	£m	£m
Inventory		
Raw material / components	11.5	12.7
WIP	3.7	3.8
Finished stock	<u>2.5</u>	<u>1.5</u>
	<u>17.7</u>	<u>18.0</u>

- Largely now removed IQ1 inventory
- Reduced raw material stock
- Jordan added £1.5m, and RC&S removed £0.3m
- Underlying reduction in inventory in continuing operations

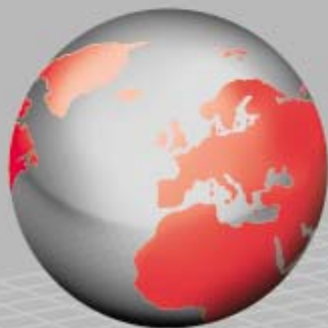




AUDITED PRELIMINARY RESULTS - 2002

Balance Sheet at 31 December

	Jordan opening	2002	2001
Fixed assets	£m	£m	£m
Intangibles	0.0	20.9	16.6
Tangible	<u>0.8</u>	<u>15.8</u>	<u>14.7</u>
	<u>0.8</u>	<u>36.7</u>	<u>31.3</u>
Current assets			
Inventory	1.5	17.7	18.0
Debtors	0.9	32.8	33.7
Cash	<u>0.2</u>	<u>20.4</u>	<u>22.2</u>
	<u>2.6</u>	<u>70.9</u>	<u>73.9</u>
Creditors	1.1	33.6	34.9
Net current assets	<u>1.5</u>	<u>37.3</u>	<u>39.0</u>
Long term Creditors	0.0	0.2	0.1
Provisions for liabilities and charges	<u>0.0</u>	<u>2.1</u>	<u>2.3</u>
TOTAL ASSETS	<u>2.3</u>	<u>71.7</u>	<u>67.9</u>



Debtors

	2002	2001
	£m	£m
Trade debtors	28.8	30.3
Sales H2	68.5	66.2
Sales Q4	34.8	35.8
Days outstanding	70	75
Non-trade debtors:		
• Other debtors & prepayments	2.0	1.9
• Tax & deferred tax	1.6	1.1
• Long term debtors	0.4	0.3
• Deferred consideration	<u>0.0</u>	<u>0.1</u>
	<u>4.0</u>	<u>3.4</u>
Total debtors	<u>32.8</u>	<u>33.7</u>

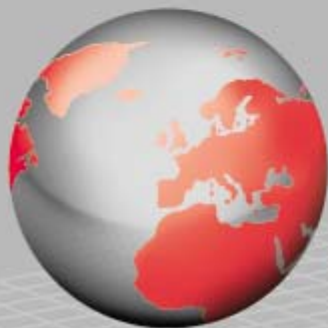




AUDITED PRELIMINARY RESULTS - 2002

Balance Sheet at 31 December

	Jordan opening	2002	2001
Fixed assets	£m	£m	£m
Intangibles	0.0	20.9	16.6
Tangible	<u>0.8</u>	<u>15.8</u>	<u>14.7</u>
	<u>0.8</u>	<u>36.7</u>	<u>31.3</u>
Current assets			
Inventory	1.5	17.7	18.0
Debtors	0.9	32.8	33.7
Cash	<u>0.2</u>	<u>20.4</u>	<u>22.2</u>
	<u>2.6</u>	<u>70.9</u>	<u>73.9</u>
Creditors	1.1	33.6	34.9
Net current assets	<u>1.5</u>	<u>37.3</u>	<u>39.0</u>
Long term Creditors	0.0	0.2	0.1
Provisions for liabilities and charges	<u>0.0</u>	<u>2.1</u>	<u>2.3</u>
TOTAL ASSETS	<u>2.3</u>	<u>71.7</u>	<u>67.9</u>

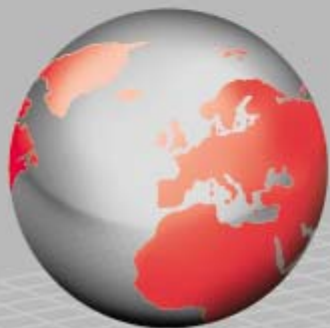




AUDITED PRELIMINARY RESULTS - 2002

Creditors

	2002	2001
	£m	£m
Trade creditors	9.7	11.7
Corporation tax	4.2	4.0
Other tax	1.3	1.5
Other creditors, accruals & deferred income	10.7	10.6
Dividend	7.7	7.1
Total creditors	<u>33.6</u>	<u>34.9</u>



AUDITED PRELIMINARY RESULTS - 2002

Cash flow

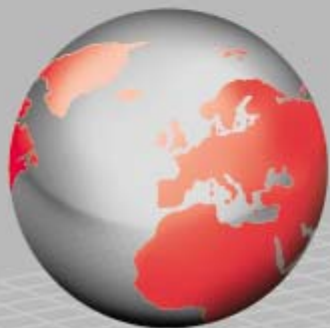
	2002	2001
	£m	£m
Operating profit	25.7	24.3
Depreciation and amortisation	3.5	3.0
(Profit) / loss on sale of fixed assets	(0.6)	0.1
<ul style="list-style-type: none"> • Reduction in debtors and inventory • £1.2m Control & Safety debtor increase • Reduction in creditors • Currency movement 		
Movement in working capital	<u>(2.8)</u>	<u>(1.9)</u>
Net cash inflow from operating activities	25.8	25.5



AUDITED PRELIMINARY RESULTS - 2002

Cash flow

	2002	2001
	£m	£m
Net cash inflow from operating activities	25.8	25.5
Dividends	(11.4)	(10.7)
Taxation	(9.0)	(8.8)
Net capital expenditure and financial investment	(2.3)	(0.8)
Returns on investments	0.3	0.7
 Net cash inflow before acquisition, disposals and financing activities	 3.4	 5.9



AUDITED PRELIMINARY RESULTS - 2002

Cash flow

	2002	2001
	£m	£m
Net cash inflow before acquisition, disposals and financing activities	3.4	5.9
Acquisition	(7.6)	(0.2)
Disposals	1.4	0.1
Financing	0.2	(0.4)
(Decrease)/ increase in cash and term deposits	(2.6)	5.4
Opening cash and term deposits	22.2	16.5
Exchange movements	0.8	0.3
Closing cash and term deposits	<u>20.4</u>	<u>22.2</u>
Net funds	<u>20.0</u>	<u>21.9</u>





AUDITED PRELIMINARY RESULTS - 2002

Pension Costs

		2002	2001
		£m	£m
Pension costs charged to the accounts		2.0	0.9
UK	+£0.6m	1.4	0.8
Overseas	+£0.5m	0.6	0.1
Shortfall in value of schemes assets measured by FRS17		11.6	4.1

Pension contribution to UK scheme will increase by a further £0.2m in 2003
(the employer increase in 2002 was from April 1st)





AUDITED PRELIMINARY RESULTS - 2002

Pension Costs

Market value of schemes assets at 31 December 2002 was £37.8m

Entry to the UK scheme has closed from 1 January 2003

We are evaluating actions to mitigate further cost increases





Preliminary Results Announcement

Year ended December 2002

Appendix

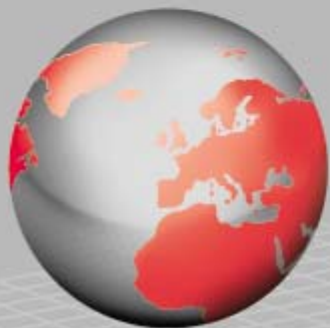




AUDITED PRELIMINARY RESULTS - 2002

Effect of Acquisition and Disposal

	Turnover £m	Gross Profit £m	PBT £m
Jordan Controls	7.5	3.4	0.4
Rotork Control & Safety	3.8	1.4	0.5
Underlying business	122.2	56.8	26.6
Underlying business at constant currency	127.2	58.0	27.0
Year on year growth rate at constant currency	6.6%		6.9%





AUDITED PRELIMINARY RESULTS - 2002

Sales by Business Segment

<i>All figures continuing operations</i>			2002	2001
			£m	£m
Electric Actuators:	Sales	+7%	102.3	95.4
Fluid System:	Sales	+28%	16.7	13.0
Gears:	Sales	-1%	14.5	14.6
Inter segmental elimination			<u>(3.8)</u>	<u>(3.7)</u>
Group:	Sales	+9%	129.7	119.3

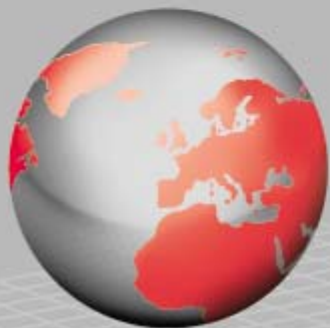




AUDITED PRELIMINARY RESULTS - 2002

Sales and Operating Profit by Business Segment

<i>All figures continuing operations</i>		2002		2001	
		£m	£m	£m	£m
Electric Actuators:	Sales	102.3		95.4	
	Operating profit		20.9		20.2
Fluid System:	Sales	16.7		13.0	
	Operating profit		1.8		0.5
Gears:	Sales	14.5		14.6	
	Operating profit		2.5		3.0
Inter segmental elimination		<u>(3.8)</u>		<u>(3.7)</u>	
Group:	Sales	129.7		119.3	
	Operating profit		25.2		23.7





AUDITED PRELIMINARY RESULTS - 2002

Headline tax rates

Tax Rates	%
Japan	42
Italy	40
US	40
Canada	39
India	36
Netherlands	35
France	34
Rotork effective tax rate*	32
Australia	30
UK corporation tax	30
Malaysia	28
Singapore	25
Hong Kong	16

* on pre-goodwill profit

