



Interim Results Announcement

6 months to June 2003





INTERIM RESULTS - 2003

Financial Highlights

- Profit before goodwill and tax up 8.6% to £13.9m
- EPS up 13.3% to 10.2p
- Order book up 10.7% since year end 2002
- Interim dividend up 5% to 5.25p

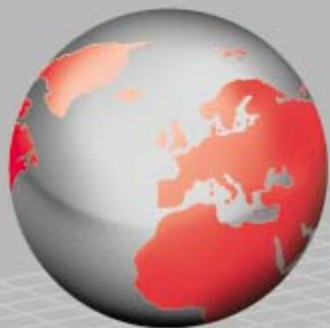


INTERIM RESULTS - 2003

Turnover – by Division

	First Half 2003 £m	First Half 2002 £m	
Turnover – continuing operations	64.3	63.1	up 1.9%

- Electric up 3.6% year on year
- Gears up 9.9% year on year
- Fluid System down 13.3%, but order book up 47.6% since year end





INTERIM RESULTS - 2003

Turnover – Geographic by Destination

	First Half 2003 £m	First Half 2002 £m	
Turnover – continuing operations	64.3	63.1	up 1.9%

- Europe up 11.0%
- America down 15.4%
- Rest of the World up 14.2%



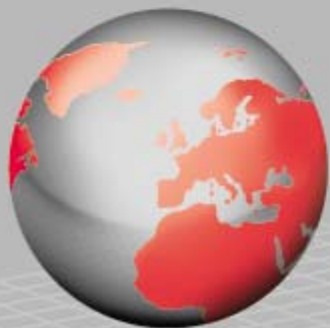


INTERIM RESULTS - 2003

Operating Profit

	First Half 2003 £m	First Half 2002 £m
Operating profit before goodwill - on continuing operations	13.0	12.4

- Overall up 4.8% to £13.0m
- Electric margin increased to 21.8% from 20.8%
- Gears margin increased to 19.2% from 18.3%
- Fluid System turnover and profit reduced but order book increased by 47.6% since December and gross margin was maintained



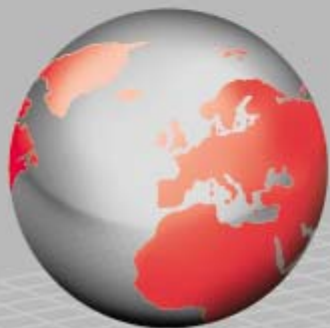


INTERIM RESULTS - 2003

Profit

	First Half 2003 £m	First Half 2002 £m
Operating profit before goodwill (continuing operations)	13.0	12.4
Rotork Control & Safety profit (discontinued)	-	0.2
Interest	0.3	0.2
Gain on Luton building disposal	<u>0.6</u>	<u>-</u>
Net profit before goodwill and taxation	13.9	12.8

- Profit before tax and goodwill was £13.9m, up 8.6% year on year
- This included £0.6m gain on sale of Luton building





INTERIM RESULTS - 2003

Turnover & Profit – Currency Effect

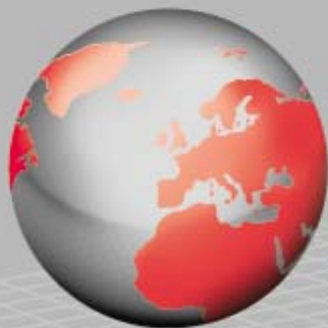
		Turnover	Profit before goodwill
		£m	£m
Results as reported		64.3	13.9
Results retranslated at Equivalent 2002 rates:		<u>65.1</u>	<u>13.9</u>
		<u>(0.8)</u>	<u>-</u>
Reduction due to	USD	(2.3)	(0.3)
	Other	(0.2)	-
Improvement due to EURO		<u>1.7</u>	<u>0.3</u>
		<u>(0.8)</u>	<u>-</u>



Taxation

	First Half	Full year
	2003	2002
	£m	£m
Profit before goodwill and tax	13.9	27.5
Tax	4.4	8.9
Effective tax rate	31.7%	32.3%

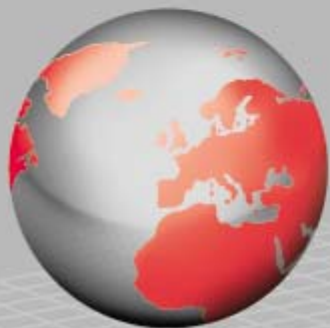
- Luton building profit has no tax charge
- Lower US profits
- Higher Far East content – particularly China, below 20% tax rate



INTERIM RESULTS - 2003

EPS

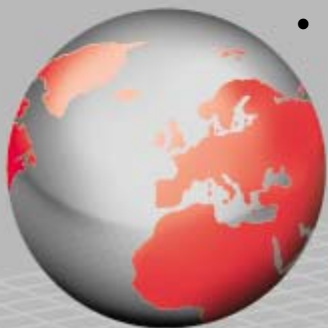
	First Half 2003		First Half 2002
EPS			
• Basic	10.2p	up 13%	9.0p
• Basic before goodwill	11.0p	up 12%	9.8p
• Basic before exceptional items and goodwill	10.3p	up 5%	9.8p



INTERIM RESULTS - 2003

EPS & Dividend

	First Half 2003	First Half 2002
EPS		
• Basic	10.2p	9.0p
• Basic before goodwill	11.0p	9.8p
• Basic before exceptional items and goodwill	10.3p	9.8p
Dividend per share		
• Interim	5.25p	5.00p
• Dividend cover	1.9 times	1.8 times

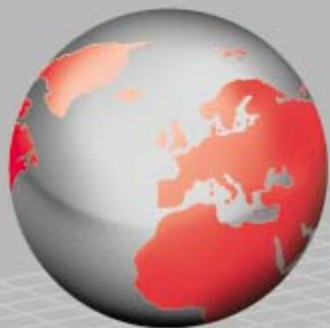




INTERIM RESULTS - 2003

Balance Sheet

	30 June 2003	30 June 2002	31 Dec 2002
Fixed assets	£m	£m	
Intangibles	20.2	21.3	20.9
Tangible	14.0	14.8	14.8
Investments	<u>0.4</u>	<u>0.3</u>	<u>0.9</u>
	34.6	36.4	36.6
Current assets			
Inventory	18.7	20.0	17.7
Debtors	32.1	36.2	32.8
Cash	<u>23.8</u>	<u>13.2</u>	<u>20.4</u>
	74.6	69.4	70.9
Creditors	<u>(30.7)</u>	<u>(33.0)</u>	<u>(33.6)</u>
Net current assets	43.9	36.4	37.3
Long term Creditors	(0.2)	(0.3)	(0.2)
Provisions for liabilities and charges	<u>(2.3)</u>	<u>(2.3)</u>	<u>(2.0)</u>
TOTAL ASSETS	<u>76.0</u>	<u>70.2</u>	<u>71.7</u>

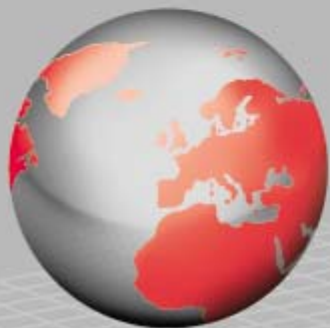




INTERIM RESULTS - 2003

Inventory

	30 June	31 Dec
	2003	2002
	£m	£m
Inventory		
Raw material / components	11.7	11.5
WIP and Finished Goods	<u>7.0</u>	<u>6.2</u>
	<u>18.7</u>	<u>17.7</u>

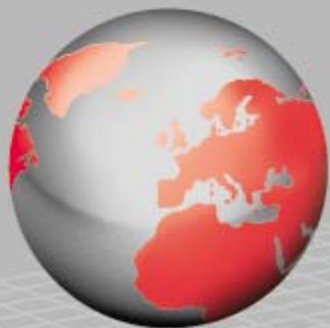




INTERIM RESULTS - 2003

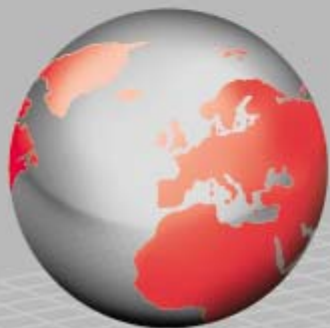
Debtors

	30 June 2003 £m	31 Dec 2002 £m	31 Dec 2001 £m	31 Dec 2000 £m
Trade debtors	26.6	28.8	30.3	28.1
Days outstanding	67	70	75	77



Cash flow

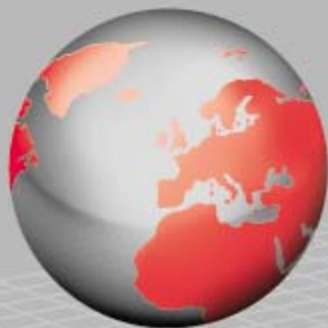
	First Half 2003 £m	First Half 2002 £m
Operating profit	12.3	11.9
Depreciation and amortisation	1.8	1.8
Movement in working capital	<u>1.5</u>	<u>(2.9)</u>
Net cash inflow from operating activities	15.6	10.8



INTERIM RESULTS - 2003

Cash flow

	First Half 2003 £m	First Half 2002 £m
Net cash inflow from operating activities	15.6	10.8
• Taxation and Dividends	(11.5)	(11.7)
• Share buy back	(1.2)	-
• Sale of Luton property	1.6	-
• Other net capital expenditure	(1.2)	(0.9)
• Acquisition	-	(7.7)
• Returns on investments	0.3	0.2
• Other financing	(0.2)	0.3
Net cash flow	<u>3.4</u>	<u>(9.0)</u>
Cash balance at 30 June	23.8	13.2





Interim Results Announcement

6 months to June 2003



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Appendix



INTERIM RESULTS - 2003

Appendix - Tangible Fixed Assets

	30 June 2003 £m
NBV b/fwd	14.8
Additions	1.3
Disposals (principally Luton)	(1.1)
Depreciation charge	(1.2)
Currency	<u>0.2</u>
	<u>14.0</u>

