

# **Interim Results Announcement**

**6 months to June 2004**



# Financial highlights

- **Turnover increased by 4% to £66.8m  
(up 9% at constant currency)**
- **Profit before tax, goodwill and exceptionals up 7% to £14.2m  
(up 18% at constant currency)**
- **Net margin up 0.6% to 21.2%**
- **EPS pre goodwill/exceptionals up 9%**
- **Order book up 18% since year end**



# Interim Results 5<sup>th</sup> August 2004

## Turnover by Business



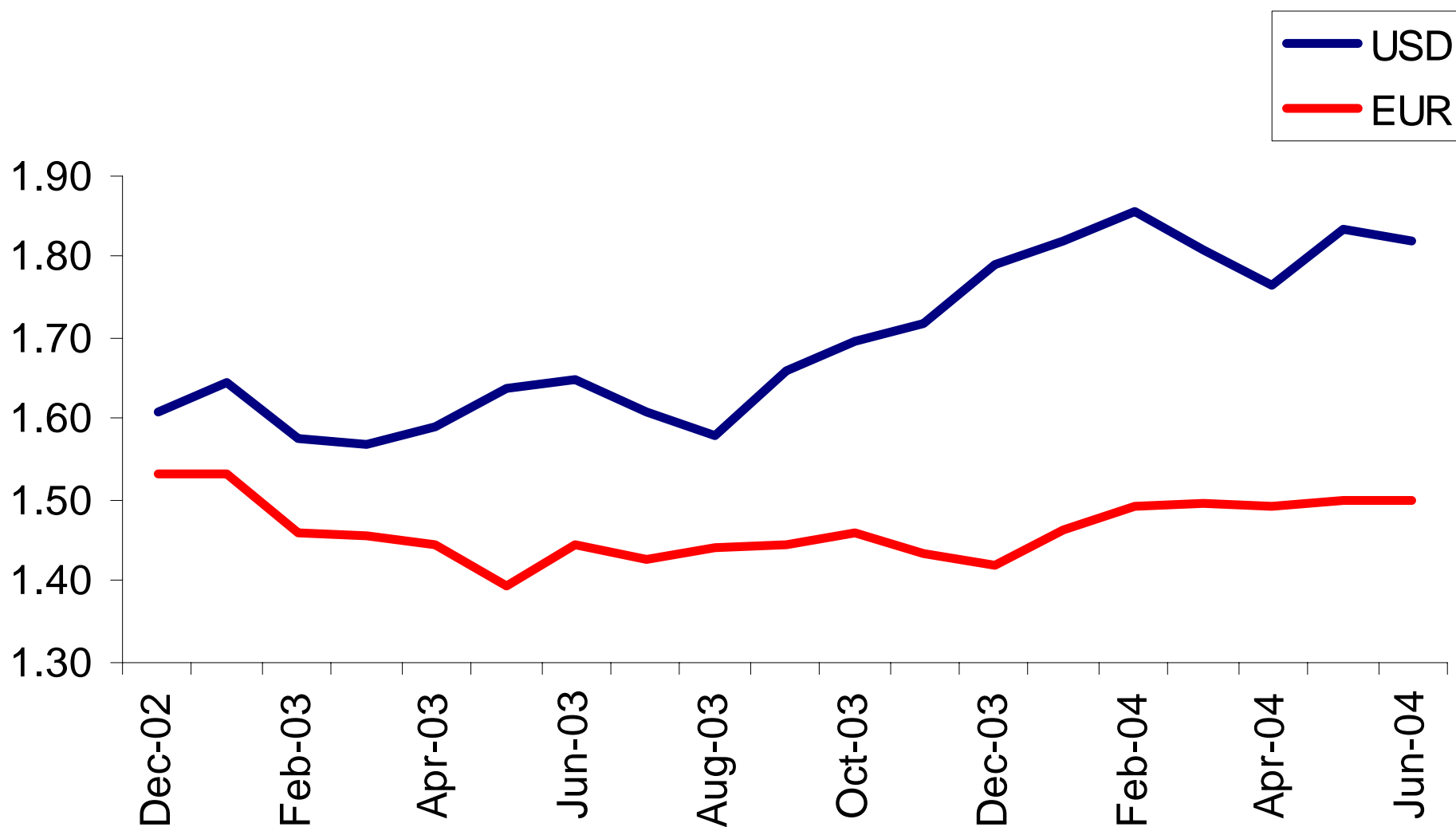
<u>Turnover</u>	H1 2004 £m	H1 2003 £m	
Electrics	50.6	51.3	
Fluid system	10.0	7.2	
Gears	8.3	7.8	
Intersegmental Eliminations	(2.1)	(2.0)	
	<hr/> 66.8	<hr/> 64.3	+ 3.9%



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## Movement of US Dollar & Euro

**rotork**



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# Turnover by Business at Constant Currency

	H1 2004 £m	H1 2004 £m Restated	H1 2003 £m
<b>Electrics</b>	<b>50.6</b>	<b>53.2</b>	<b>51.3</b>
<b>Fluid system</b>	<b>10.0</b>	<b>10.3</b>	<b>7.2</b>
<b>Gears</b>	<b>8.3</b>	<b>8.4</b>	<b>7.8</b>
<b>Elimination</b>	<b>(2.1)</b>	<b>(2.1)</b>	<b>(2.0)</b>
	<hr/> <b>66.8</b>	<hr/> <b>69.8</b>	<hr/> <b>64.3</b>



- **Electrics shows output growth of 4%, input growth of 13%**
- **Fluid system shows output growth of 43%, input growth of 27%**
- **Gears shows output growth of 8%, input growth of 12%**

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# Income Statement

	H1 2004 £m	H1 2003 £m	
Operating profit before goodwill	13.8	13.0	+6.5%
Net interest received	0.4	0.3	
	<hr/> 14.2	<hr/> 13.3	+7.0%
Fixed assets gain	-	0.6	
Goodwill	(0.7)	(0.7)	
Profit before tax	<hr/> <u>13.5</u>	<hr/> <u>13.2</u>	



# Income Statement – Currency Effect

	H1 2004 £m	H1 2003 £m
Operating Profit	14.2	13.3
Translation impact	0.5	-
Transaction impact	0.9	-
Operating profit at 2003 rates	<u>15.6</u>	<u>13.3</u>

**Effective profit increase at constant currency +17%**



# Income Statement

- EPS before exceptionals and goodwill was up 9%
- EPS as reported up 3%
- Effective tax rate on pre goodwill profit 32.2% (2003 H1 32.0%)
- Dividends
 

– 2004	28 <sup>th</sup> May	5.85p
	27 <sup>th</sup> Sept	<u>5.35p</u>
		11.20p
- 2003		5.25p

**Increase of 113%**





# Cash Flow

	<b>H1 2004</b>	<b>H1 2003</b>
	<b>£m</b>	<b>£m</b>
<b>Operating Profit</b>	<b>13.1</b>	<b>12.3</b>
<b>Depreciation &amp; Amortisation</b>	<b>1.8</b>	<b>1.8</b>
<b>Working Capital Movement</b>	<b>(4.4)</b>	<b>1.5</b>
<b>Additional Pension Contribution</b>	<b>(5.0)</b>	<b>-</b>
	<hr/>	<hr/>
<b>Net Cash flow from operating activities</b>	<b>5.5</b>	<b>15.6</b>



# Working Capital Movement

	<b>H1 2004</b>	<b>H1 2003</b>
	<b>£m</b>	<b>£m</b>
<b>Increase in Stock</b>	<b>(2.6)</b>	<b>(0.6)</b>
<b>(Increase) / decrease in Debtors</b>	<b>(0.8)</b>	<b>0.9</b>
<b>(Decrease) / increase in Creditors</b>	<b>(1.0)</b>	<b>1.2</b>
	<hr/>	<hr/>
	<b>(4.4)</b>	<b>1.5</b>



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# Cash Flow

	<b>H1 2004</b>	<b>H1 2003</b>
	<b>£m</b>	<b>£m</b>
<b>Net cash flow from operating activities</b>	<b>5.5</b>	<b>15.6</b>
<b>Interest received</b>	<b>0.7</b>	<b>0.3</b>
<b>Tax paid</b>	<b>(3.6)</b>	<b>(3.9)</b>
<b>Capital expenditure</b>	<b>(1.9)</b>	<b>(1.2)</b>
<b>Sale of Luton Building</b>	<b>-</b>	<b>1.6</b>
<b>Acquisition</b>	<b>(0.8)</b>	<b>-</b>
<b>Dividends paid</b>	<b>(13.2)</b>	<b>(7.6)</b>
<b>Sale / purchase of own shares</b>	<b><u>0.3</u></b>	<b><u>(1.4)</u></b>
<b>Net Cash flow from operating activities</b>	<b>(13.0)</b>	<b>3.4</b>
<b>Net Cash</b>	<b>18.8</b>	<b>23.8</b>



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