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People and products are at the heart of GKN. Featured in the Review section of the 2001 Annual Report and Accounts are some young executives who are helping to drive the Group's global development and some of the key products on which the Group is basing its global strategy.

Front cover

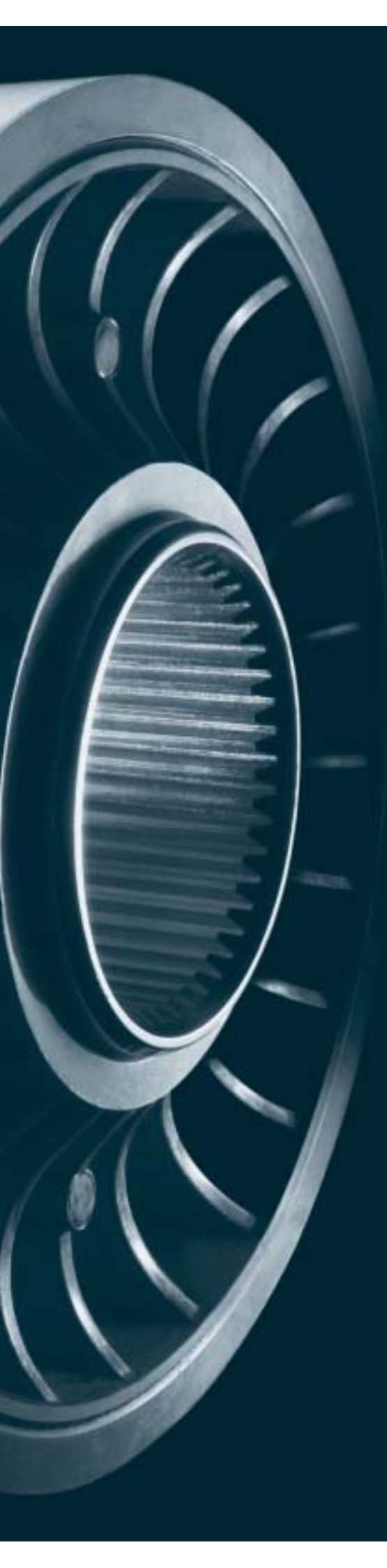
Top half: Engine nacelle for Dassault Falcon 50EX and IAI Astra SPX business jets.

Bottom half: Constant velocity fixed ball joint for front wheel drive automotive application.

(Each image is photographed to a different scale.)

This page

Latest generation viscous coupling developed and produced by GKN for a high volume sports utility vehicle.



ENGINEERING SUPERIOR PERFORMANCE

GKN is a global engineering company focused on automotive and aerospace.

Our mission is to deliver outstanding products and service to our customers and to consistently exceed the performance of other companies in our sector in growth and profitability.

When we do so we enrich our shareholders, reward our employees and contribute to the communities of which we are a part.

Within GKN we value the spirit of enterprise as a way of empowering our people, we focus on innovation as a way of evolving new products and processes and we build on our global market and technology leadership as a source of competitive advantage.

We care for the environment, we respect human dignity and rights and we uphold the highest standards of ethical behaviour.

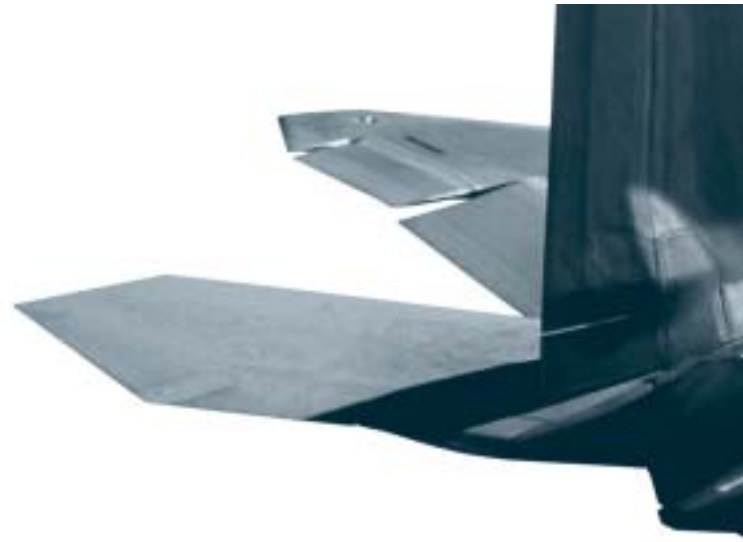
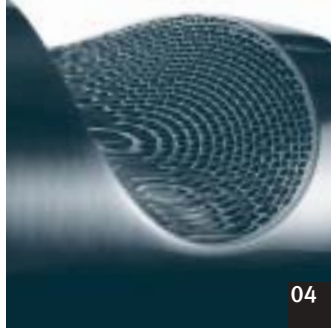
Through our mission we challenge ourselves to perform beyond the expectations of others.

GKN provides highly engineered products requiring complex manufacturing to virtually all of the world's major producers of automotive vehicles, aircraft and aero engines.

GKN operates in more than 30 countries and employs 36,300 people in its subsidiaries. Its joint ventures, the largest of which is AgustaWestland, employ 13,500 people.

In 2001 GKN achieved sales of £4.3 billion and profit* of £245 million.

*Profit before tax, goodwill amortisation and exceptional items



AUTOMOTIVE

GKN is a global supplier of automotive components and systems.

Its driveline division is the No. 1 supplier of constant velocity jointed halfshafts with a 42% global market share. This business has achieved substantial growth in recent years and further growth will come from outsourcing of driveline manufacture by vehicle manufacturers, growth in emerging markets and increasing demand for four-wheel drive and all-wheel drive sports utility vehicles. In 2001 these accounted for 20% of the 15.5 million light vehicles produced in North America. The Group has driveline operations in 21 countries.

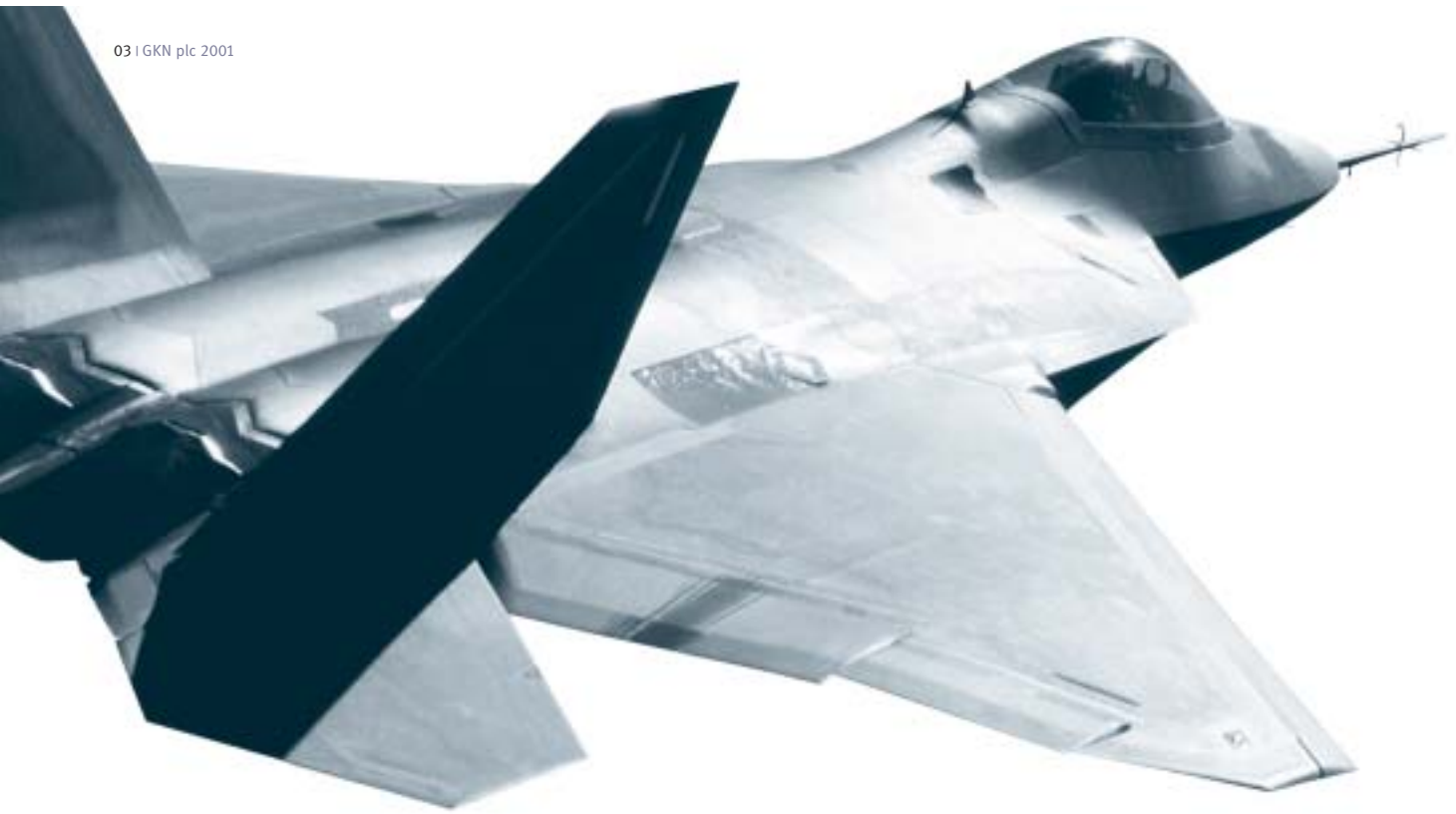
GKN is the No. 1 supplier of powder metal parts with a 16% global market share and is the No. 1 producer of powder metal in the US. GKN's capability in the technology and production of powder metal parts and their raw material is unique among major companies. The Group has powder metal operations in 11 countries.

GKN is a major European and North American supplier of components and systems for agricultural and off-highway equipment. It is also a leading supplier of automotive structural presswork and cylinder liners for automotive, industrial and marine applications. Emitec, a 50:50 joint venture with Siemens, is the world leader in metal substrates for catalytic converters.

01. Precision in powder metallurgy – complex geared component used in a transmission system. 02. Material science in driveline – a flexible boot used on a CVJ halfshaft. 03. Engineering in action – internal mechanism of an agricultural gearbox. 04. Protecting the environment – cutaway of a catalytic converter showing the high density structure of the metallic substrate.

The Mini, launched in 1959, was the world's first high volume, front-wheel drive car. At its heart was the constant velocity joint (CVJ) developed and produced in the Birmingham plant which is part of GKN's Automotive Driveline Division. Since then more than one billion CVJs have been produced by GKN around the world. In 2001 BMW launched a new Mini (right). GKN driveline technology is still at its heart.





AEROSPACE

GKN operates as a first tier supplier through GKN Aerospace Services and as prime contractor through AgustaWestland.

GKN Aerospace Services supplies structures, components and design services to aircraft and aero engine manufacturers. The business has achieved sales growth of more than 300% in five years. This growth has come principally from acquisitions targeted at key technologies and programmes.

While GKN Aerospace Services has a growing presence in civil aerospace, 60% of revenues derive from military programmes. It is a supplier to European and US fighter, strategic transport and rotary wing aircraft. These include the Eurofighter Typhoon, Gripen, F22 (above), F18, C17, C130J and Comanche. It is also well positioned to win business on the F35 – the world’s largest ever military aircraft programme.

AgustaWestland is a 50:50 joint venture created by GKN and Finmeccanica when both companies merged their helicopter subsidiaries to create the world’s No. 2 helicopter company. The new company has one of the broadest and most balanced military and civil product portfolios in the industry. It has strong relationships with Boeing, Lockheed Martin and Bell Textron and is a partner in the European NH90 helicopter with EADS and Fokker.

01. High performance engineering – chemically milled titanium is critical for certain jet engine and airframe applications. 02. Transparent success – the Eurofighter Typhoon canopy is produced by GKN using thin film coatings to enhance stealth. 03. Flying high – part of the EH101 helicopter tail rotor. 04. Competitive composites – jet engine thrust reverser component produced by resin transfer moulding.

The US Air Force is set to acquire 331 F22 Raptors – the most advanced fighter aircraft in the world. From its plants in Missouri, California and Washington State, GKN supplies a range of titanium and composite structures such as engine nozzles, keelsons, frames, aft booms, gun troughs, wing spars, ducts and fuselage structures. During the life of the programme, the F22 is worth \$1.4 billion to GKN.

