

2006 Highlights

- › Excellent progress in 2006 – strong results and major milestones achieved.
- › Aerospace delivers an 11% increase in sales, a 30% increase in trading profit and moves into double digit margins.
- › Powder Metallurgy trading profit and margins more than double; US Sinter operations return to profit.
- › OffHighway acquisitions increase sales by 7% and trading profit by 15%.
- › Driveline trading profit lower – significant new business wins support future growth.
- › Strategic restructuring plan is in final phase and will conclude in 2007.
- › Dividend increased by 5% reflecting the Board's continuing confidence in the future.

Statutory basis:

Sales £3,634m	Profit before tax £182m	Earnings per share 25.0p
-------------------------	-----------------------------------	------------------------------------

Management basis*:

Sales £3,842m	Profit before tax £221m +8%	Earnings per share 28.8p +29%	Proposed full year dividend per share 12.8p +5%
-------------------------	---	---	---

* Sales include share of joint ventures. Profit and earnings exclude restructuring and impairment charges, amortisation of non-operating intangible assets arising on business combinations, profits and losses on the sale or closures of businesses and changes in the fair value of derivative financial instruments.