

Business Review

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2009 Performance*

- > Group results reflect the decline in Automotive, Powder Metallurgy and OffHighway sales, a strong performance in Aerospace and the benefits from restructuring.
- > Steady progress made during the year; trading margin recovered to 6.5% in the fourth quarter.
- > Strong first year contribution from Filton.
- > Restructuring programme continued; break-even point in Automotive, Powder Metallurgy and OffHighway reduced by around 20%.
- > Market share gains, major new programme wins and new technology launches across the Group.
- > Positive free cash flow of £136 million and net debt of £300 million as at 31 December 2009.
- > No final dividend; the Board intends to resume dividend payments on 2010 earnings.

Statutory basis

Sales

£4,223m

2008: £4,376m

2007: £3,869m

Profit/(loss) before tax

£(54)m

2008: £(130)m

2007: £199m

Earnings per share

(3.2)p

2008: (11.7)p (restated)

2007: 18.8p (restated)

Management basis*

Sales

£4,468m

2008: £4,617m

2007: £4,122m

Profit before tax

£83m

2008: £170m

2007: £255m

Earnings per share

5.5p

2008: 16.0p (restated)

2007: 23.5p (restated)

* 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, change in the value of derivative and other financial instruments, other net financing charges and profits and losses, after tax, arising on discontinued operations.