

Strategy

GKN is a global engineering group operating in more than 30 countries and employing 38,200 people in its subsidiary and joint venture companies worldwide.

We are committed to providing long term shareholder value in the form of steadily growing earnings and dividends through the delivery of sustained growth in sales, profitability and cash flow.

Group

Our strategy is to develop strong niche businesses with leading positions in their end markets and the capability to grow faster than those markets by exploiting our key strengths:

Superior technology

Exceptional customer service

A global footprint

Highly skilled and motivated people

World class lean manufacturing

We aim to accelerate growth through focused acquisitions in our chosen businesses.

KPIs

We implement and monitor performance against strategy through key performance indicators (KPIs), both financial and non-financial.

Progress against these KPIs is reported regularly to the Board and senior management. In addition, certain financial KPIs are linked to executive remuneration.



SEE PAGES 28 AND 29
FOR MORE INFORMATION

Risk

We have an extensive risk management framework designed to identify, assess and mitigate significant business risks which could impact delivery of our strategic plan.

Risk management processes operate throughout the Group at plant, divisional and corporate levels and regular reports are made to the Board and its Committees.



SEE PAGES 30 AND 31
FOR MORE INFORMATION

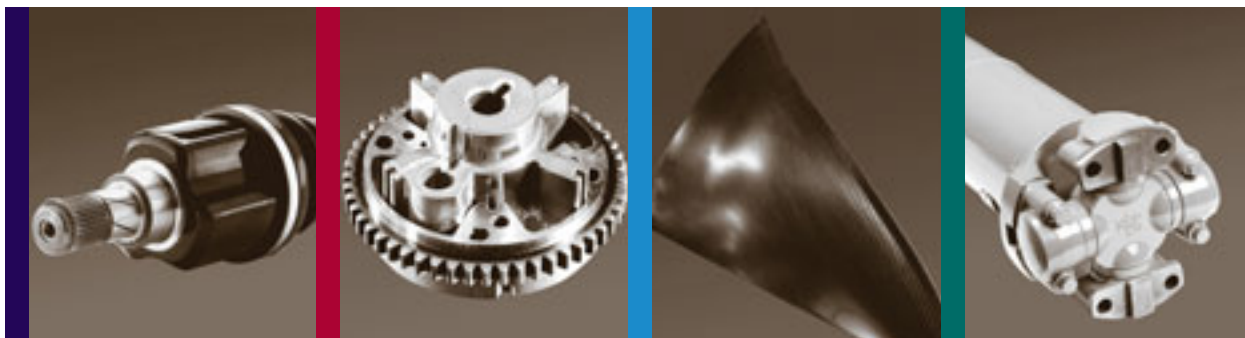
The GKN Way

A key contributor to the successful delivery of our strategy is the GKN Way — a Group-wide approach to the way in which we sustain and develop our business.

Encompassing a culture of continuous improvement, a focus on technology and development of our people, the GKN Way drives us to achieve excellence in everything we do.



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FOR MORE INFORMATION



Automotive

GKN is the world's leading supplier of automotive driveline components and systems.

Our strategy is to exploit this market leading presence and the business' strong technology and global manufacturing footprint to:

- provide innovative driveline systems and solutions, supporting developing market trends for more fuel efficient vehicles; and
- increase our business in high growth regions serving the needs of strategic customers.

Powder Metallurgy

GKN is the world's leading manufacturer of sintered components and the largest producer of metal powder in North America.

Our strategy is to exploit powder metal technology through the development of 'design for powder metal' applications:

- to meet the emerging requirements for low carbon engine, emissions and transmission technologies; and
- to expand the business in high growth economies.

Aerospace

GKN is a market leader in the design and manufacture of advanced composites, transparencies and complex metal aerostructures.

Our strategy is to build on our superior technology and design capabilities to grow the business by:

- exploiting our strong positions on existing programmes for new aircraft; and
- developing new technologies for future commercial and defence platforms.

OffHighway

GKN designs and manufactures a portfolio of products for off-highway vehicles with leading market positions in the supply of power take-off shafts and wheels.

Our strategy is to develop the business by:

- enhancing customer and market focus providing superior power transmission solutions to our chosen sectors; and
- extending our ability to provide global supply solutions to meet customer demand for off-highway wheels.