

Acertec  
PLC

**BRC**

**VISIT BY INVESTORS AND ANALYSTS TO BRC**

**14<sup>TH</sup> JUNE 2007**

## Objective for Today

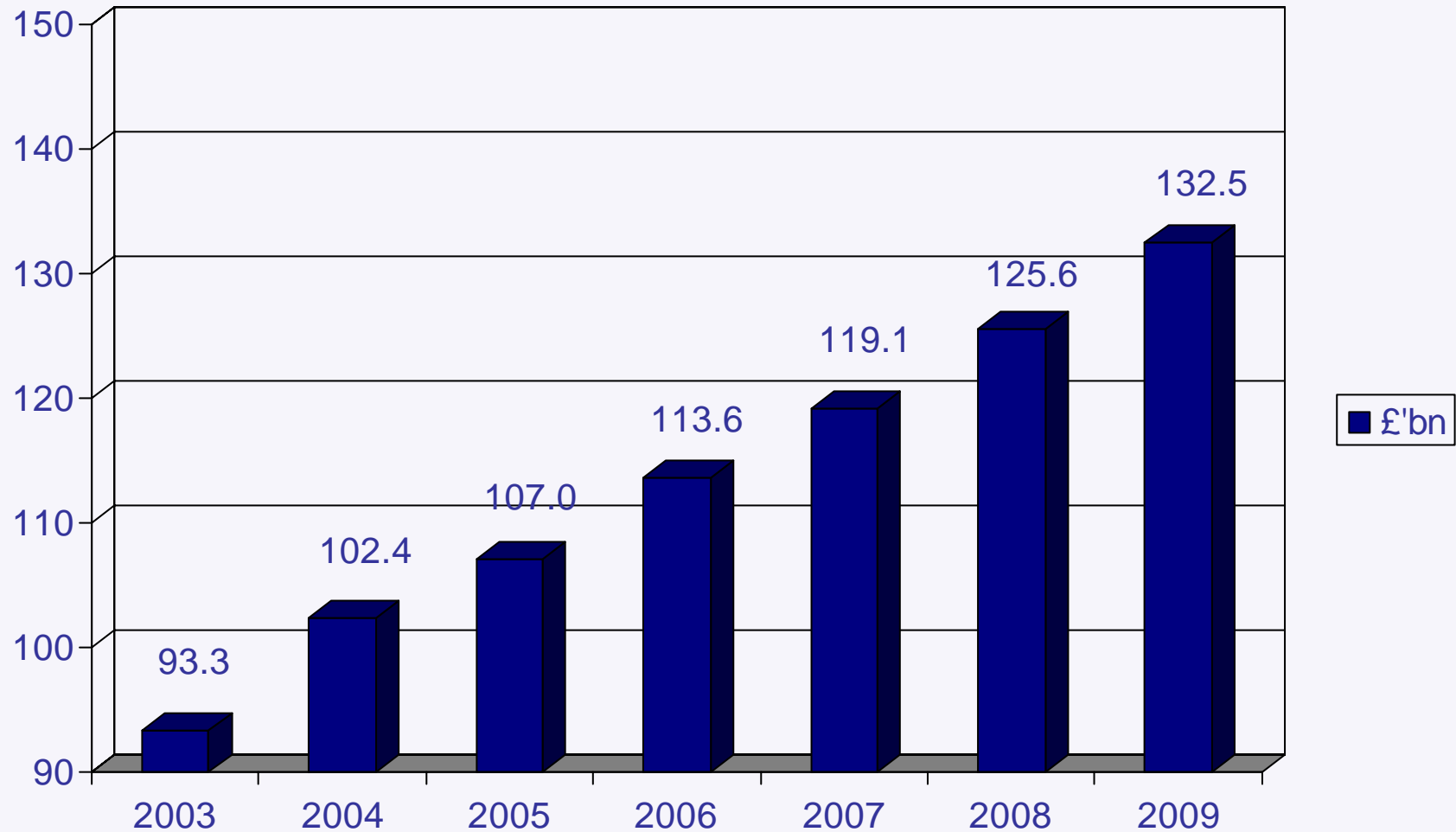
- To understand the physical substance of our products and processes
- To meet some key players in our management team

### Programme

Barnsley	Mesh business	10.00 – 11.00
Barnsley	Geotechnical	11.15 – 11.45
Hotel	Special Products Lunch	12.15 – 13.45
Mansfield	Rebar business	14.15 – 15.45



## Total UK Construction Spend (£'bn at current prices)

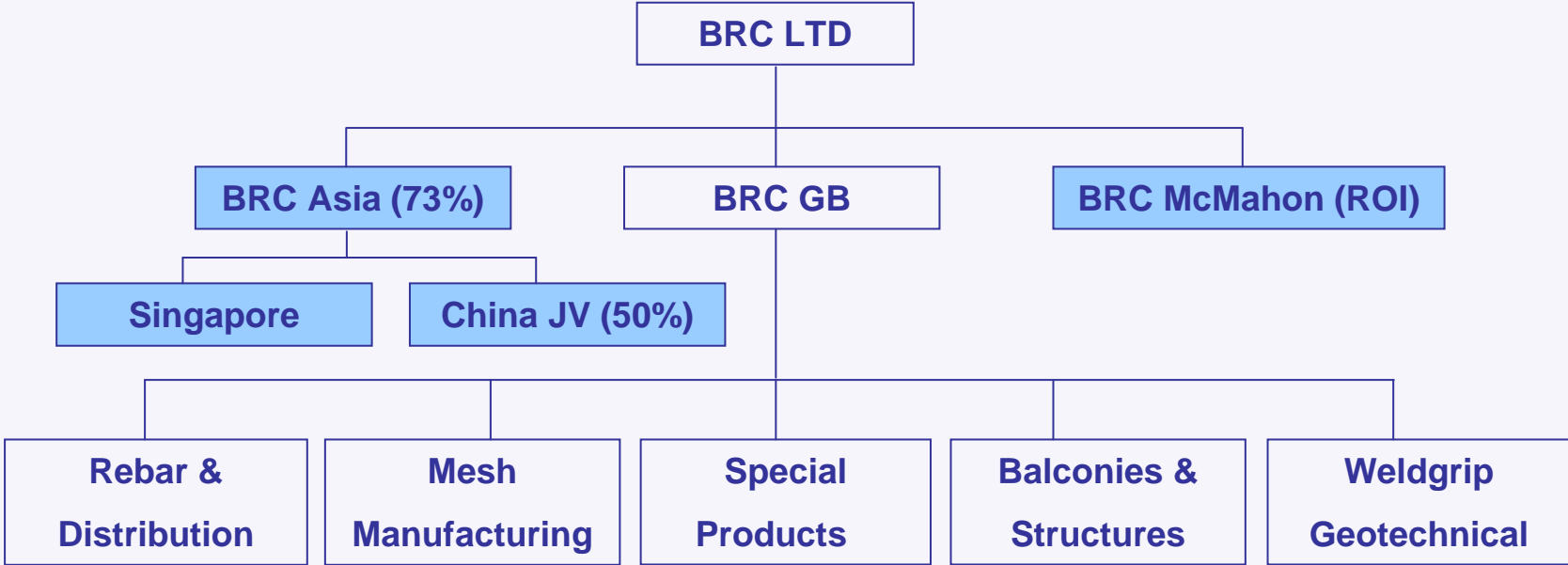


Source: DTI; Hewes & Associates

## BRC Group - Financials

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>
£'million				
<b>Turnover</b>	89.1	126.9	141.6	183.9
<b>Operating Profit</b>	2.0	10.9	8.3	9.2

# BRC Structure



North	Glasgow	<b>Barnsley</b>	Stafford	Huntingdon	<b>Barnsley</b>
	Darlington		Warrington		
Midlands	Oldham				
	<b>Mansfield</b>				
South	Newport				
	Plymouth				
	Southampton				
	London				



## Two Main Business Segments

### High Volume Reinforcing Steel

- approximate market split is rebar (75%), mesh (25%)
- margins historically low (1-5%) and volatile
- fragmented sector (six major players)
- differentiation is service, not product
- BRC's scale gives benefits in cost (purchasing, operations) and in service

### Specialty Products

- low volume, high margin (mid-teens %)
- high market share (up to 100%) of niche sectors
- products are generally highly differentiated, often with significant engineering content and IP
- has been growing at double digits for several years
- adding new product lines every year

## Two Main Business Segments

### *Steel Reinforcement*

- Rebar and related products
- Mesh and related products

Mansfield this afternoon

**Julia Bloomer, Midlands Director**



Barnsley this morning

**Phil Cashmore, Managing Director**



### *Specialty Products*

- Weldgrip Geotechnical
- Special Products

Barnsley, later this morning

**Steve Jackson, Managing Director**

Hotel, lunchtime

**Martin Lynch, Managing Director**



## Key Business Drivers

- Buoyant construction market today
- Outlook is good for next year or two
- Key sectors
  - power – gas/oil/electricity
  - hospitals
  - commercial
  - road/rail developments
  - sports/Olympics
- Market capacity

Project: Millennium Stadium  
Location: Cardiff



Example projects:

Hotel Temple Mead – Bristol

Gas storage tanks – Pembroke

Multi storey car park – Cardiff

