



Acertec plc
2007 Interim Results Presentation

20th September 2007

As announced on 5th September 2007, a stock discrepancy, amounting to approximately £1.5 million, has been discovered in one of BRC's UK operations.

As a result of this discovery, KPMG have been instructed to carry out an independent investigation which is currently underway. However, KPMG are not yet in a position where they can report on their findings.

These results, which are based on unaudited figures, are therefore subject to adjustment once KPMG have concluded their report.

Highlights

- Interim results in line with expectations
- Turnover £153.6m, up 2%
- Operating profit pre exceptional items £9.0m, up 12.5%
- Strong performance from BRC – sales up 22%
- Stadco's contribution in line with expectations
- Investment in working capital and capacity in BRC
- Detailed planning for Stadco's expansion in Russia now underway
- Trading outlook positive
- Interim dividend of 2.7p to be paid

FINANCIAL REVIEW – David Roache

Financial Review

- Turnover up £3.3m (2%)
- Operating profit (before exceptional items) up £1.0m, 12.5%
- Operating margins up – 5.9% vs 5.3%
- Pre-tax profit up £3.8m
- Pension liability down £6.1m – funding and bond yield (discount rate), now almost fully funded on ongoing basis
- Investment in working capital – BRC UK £5.5m, BRC Asia £6.2m

Profit & Loss (£'m)

	H1 2007	H1 2006	FY 2006
Turnover from continuing operations (exc. share of JVs)	153.6	150.3	307.0
Operating profit (incl. share of JVs)	9.0	8.0	16.7
	5.9%	5.3%	5.4%
Goodwill impairment	-	-	(1.9)
Amortisation of intangibles	-	-	(1.2)
IPO Costs	-	(3.1)	(3.1)
Profit on sale of investments held for resale	0.4		
Profit on sale of fixed assets	0.3	-	0.1
Net interest	(1.9)	(0.9)	(2.3)
Profit before tax	7.8	4.0	8.3
Tax	(2.6)	(1.0)	(4.0)
Loss from Discontinued operations	-	(5.0)	(5.0)
Profit (loss) for the period	5.2	(2.0)	(0.9)
EPS (p)	9.7	(15.6)	(2.8)

Balance Sheet (£'m)

	<u>30/06/07</u>	<u>30/06/06</u>	<u>31/12/06</u>
Fixed and other non-current assets	91.5	93.6	93.0
Working Capital (excluding cash and debt)	11.8	(4.2)	(3.1)
Pension Liability	(10.8)	(17.7)	(16.9)
Net Debt	(61.5)	(47.2)	(48.1)
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	31.0	24.5	24.9
Shareholders' Funds	31.0	24.5	24.9

Movement in Net Debt (£m)

	<u>6 Months Ended</u>		<u>Year Ended</u>
	<u>30/06/07</u>	<u>30/06/06</u>	<u>31/12/06</u>
Operating profit (excluding JVs)	8.4	4.0	8.8
Depreciation	<u>3.6</u>	<u>3.7</u>	<u>7.6</u>
	12.0	7.7	16.4
Impairment of goodwill and amortisation of intangibles	-	-	3.1
Pension deficit funding	(1.3)	(2.8)	(4.1)
(Increase)/decrease in working capital	(14.4)	3.6	1.0
Profit on sale of investments	(0.4)	-	-
Non-cash movement in debt	0.2	0.1	0.4
Net cash from operations	(3.9)	8.6	16.8
Interest	(2.0)	(3.3)	(5.2)
Tax	(2.4)	-	(0.3)
Capex	(3.6)	(3.3)	(11.8)
Proceeds from sale of investments and business	0.5	14.6	13.2
Acquisition of business	-	(1.3)	(1.3)
Dividends received	0.7	0.3	1.3
Dividends paid	(2.9)	-	(0.1)
Net proceeds from IPO	-	53.0	52.9
Other	(0.1)	-	0.4
Movements in net debt	(13.4)	71.3	65.9

6 months ended

30/6/07

Increase in working capital

BRC UK - credit shortening

(6.9)

BRC Asia - credit shortening

(2.7)

- stock increase

(3.8)

Stadco reorganisation - final cash

(1.0)

Increase in working capital

(14.4)

OPERATIONAL REVIEW – John Sword

BRC Overview (£'m)

Turnover

H1 2007

88.9

H1 2006

72.9

FY 2006

166.2

Operating Profit (before exceptional items)

5.0

3.1

9.2

Margin

5.6%

4.3%

5.5%

UK and Ireland

- Construction markets in GB remain strong, Ireland less so
- Steel reinforcement
 - Turnover up in both rebar and mesh
 - Margins satisfactory in rebar
 - Significant investment in capacity to underpin growth
- Specialty products
 - Continuing growth in operating profit
 - Double digit margins maintained

East Asia

- Market strong – order book has grown, demand strong
- Margins improving



BRC Outlook

UK and Ireland

- Construction markets remain firm
- Strong order book underpins growth prospects
- Margin expected to be sustained
- Capacity increases will allow further growth in H2 and in 2008
- Further progress in Specialty Products expected



East Asia

- Market demand expected to remain strong
- Review of strategic options



BRC Asia

Market cap (as at 18/9/07)	£41m
Acertec share (70%)	£29m
Debt on BRC Asia balance sheet	£10m
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Enterprise value	£39m
EBITDA for 2006	£2.7m (100%)

Stadco Overview (£m)

	H1 2007	H1 2006	FY 2006
Turnover	64.7	77.4	140.8
Operating Profit	5.5	6.3	11.0
Margin	8.5%	8.1%	7.8%

- Turnover and Operating Profit down vs H1 2006, in line with expectations
 - non-repeat of tooling and engineering revenue
 - lower contribution from Mini and lower volumes on certain platforms
- Margin increased due to one-off work in H1
- Germany remains strong
- Underlying margin pressure from excess capacity in the UK



Stadco Outlook

- No new models in 2007
- Two new models in 2008 will support future sales
- Russia project will generate substantial growth in the medium term
 - site secured
 - factory build – soon to start
 - initial sales c.€25m p.a. (starting in 2009), with strong growth prospects after 2010



} Investment
c.€50m

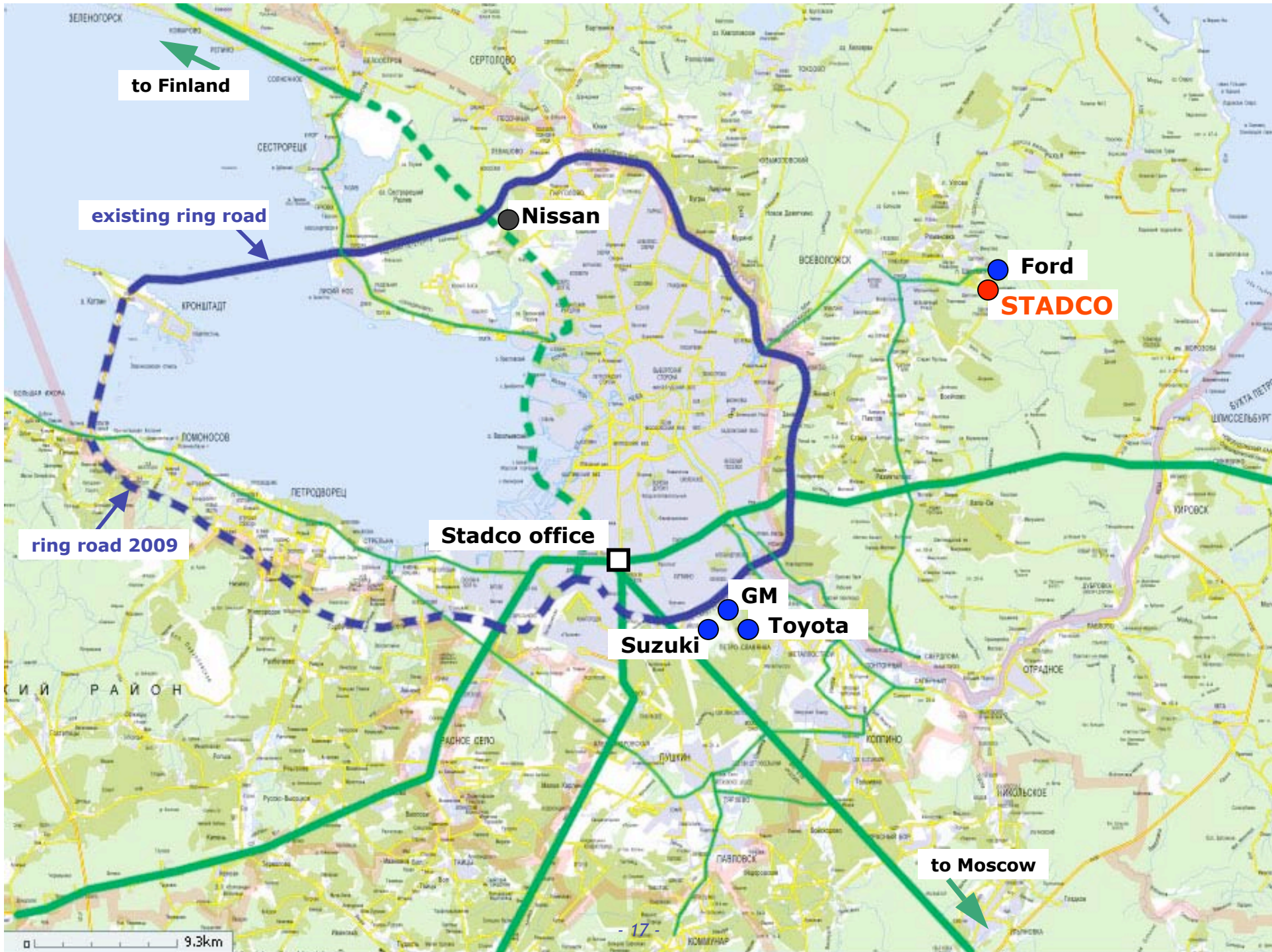
Stadco – The BIW Market in St. Petersburg

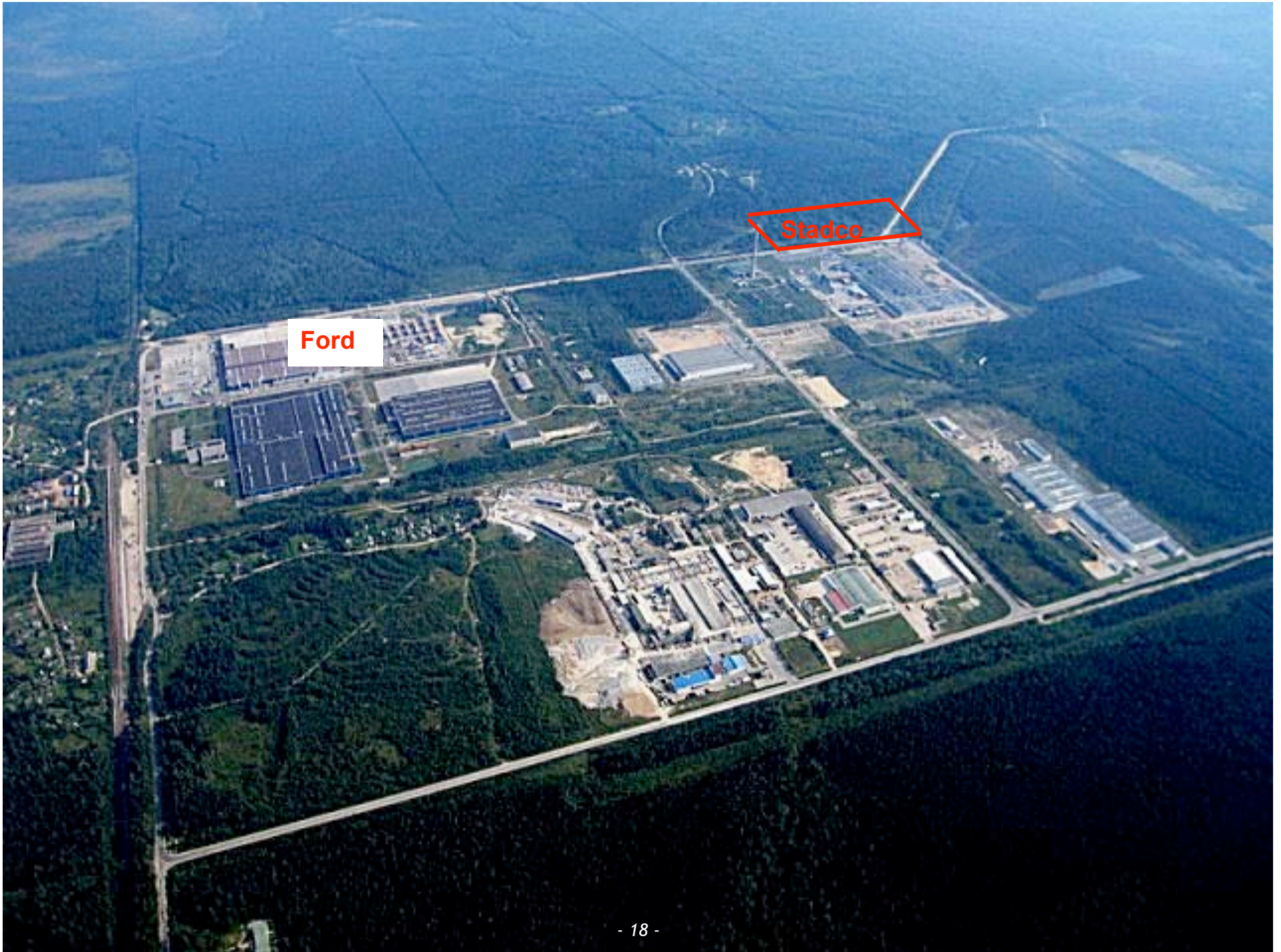
	<u>2005</u>	<u>2007</u>	<u>2011</u>	<u>2015</u>
Total Russian car production ('000 units)*	1285	1544	2451	3074
of which, foreign designs	112	374	1288	1884
St. Petersburg region ('000 units)*				
- Ford	33	75	175	340
- Others (Toyota, GM, Nissan, Suzuki)	-	-	200	450
Estimated value of BIW components (€m)				
- imported	27	60	200	340
- local manufacture	-	-	110	310

Key market drivers

- tariff and non-tariff barriers to imported components
- OEMs' localisation agreements with the Russian government
- absence of domestic suppliers

* source: JD Power and Associates





Summary

- Need to close-off BRC accounting investigation (believe 2007 is not affected)
- BRC prospects are strong in the medium term
- Stadco will be below 2006 this year but medium-term prospects are more positive
- Stadco Russian project underway