



**Acertec plc**

Results for year ended 31 December 2006

22 March 2007

## Highlights

- Results in line with expectations
- Turnover\* £324.7m, up 16%
- Operating profit\* £16.2m, up 30%
- Pro-forma profit before tax\*\* £13.4m
- Cash flow from operations £16.8m
- Outlook good



\* from continuing operations before goodwill and exceptional items.

\*\* before exceptional items and goodwill amortisation and assuming post-IPO capital structure

# **FINANCIAL REVIEW - David Roache**

## Profit and Loss

£'m

	2006			Proforma*	2005
	H1	H2	FY	2006	FY
Turnover from continuing operations (inc. JVs)	158.6	166.1	324.7	324.7	280.8
<b>Operating profit from continuing operation before amortisation and exceptional items</b>	<b>7.9</b>	<b>8.3</b>	<b>16.2</b>	<b>16.2</b>	<b>12.5</b>
Margin	5.0%	5.0%	5.0%	5.0%	4.5%
Operating exceptionals	(3.0)	(0.1)	(3.1)		(16.2)
(Loss)/Profit on sale of operations	(5.8)	-	(5.8)		11.1
Profit before interest and tax	(3.0)	7.5	4.5	16.2	7.6
Net interest	(0.9)	(1.4)	(2.3)	(2.8)	(9.9)
PBT	(3.9)	6.1	2.2	13.4	(2.3)
Tax	(1.6)	(3.3)	(4.9)	(4.3)	0.4
Profit after tax	(5.5)	2.8	(2.7)	9.1	(1.9)
EPS (excluding goodwill amortisation)	N/A	N/A	N/A	17.7p	N/A

\* Before exceptional items and goodwill amortisation, assuming post-IPO capital structure

## Balance Sheet

£'m

	As at 31/12/06	As at 30/06/06	As at 31/12/05
Fixed Assets	89.1	87.2	104.9
Working Capital & Provisions (exc. cash and debt)	(0.9)	(1.2)	10.5
Pension liability	(11.8)	(12.4)	(18.7)
Net Debt	<u>(48.1)</u>	<u>(47.2)</u>	<u>(118.5)</u>
	<u>28.3</u>	<u>26.4</u>	<u>(21.8)</u>
Shareholders' funds	28.3	26.4	(21.8)

## Movement in Net Debt

£'m

Operating profit (post exceptionals)
Depreciation
Goodwill amortisation
Pension contribution
Decrease/(increase) in working capital and provisions
<b>Net cash from operations</b>
Interest and net dividends
Tax
Capex
Proceeds from sale of assets
Disposal of business
Purchase of business
Net proceeds of IPO
Non cash movements in debt
<b>Decrease in net debt</b>

\* Includes one-off payment of £1.7m

### 12 Months Ended

<u>31/12/06</u>	<u>31/12/05</u>
8.4	(5.3)
8.7	10.3
1.1	2.0
(4.1)*	(1.9)
<u>2.7</u>	<u>(1.0)</u>
<b>16.8</b>	<b>4.1</b>
(4.3)	(3.7)
(0.3)	(0.9)
(11.8)	(7.5)
0.3	15.2
13.2	-
(1.3)	-
53.3	-
<u>4.5</u>	<u>(4.8)</u>
<b>70.4</b>	<b>2.4</b>

## **OPERATIONAL REVIEW - John Sword**

## BRC Overview



£'m

Turnover\*

Operating Profit \*\*

Margin

	2006		
	H1	H2	FY
Turnover*	81.2	102.7	183.9
Operating Profit **	3.1	6.1	9.2
Margin	3.8%	5.9%	5.0%

2005

FY

141.6

8.3

5.9%

### UK and Ireland

- Construction markets remain buoyant
- Steel reinforcement
  - good volume growth
  - supply/demand in balance in H2
  - margins improved in H2
- Specialty products
  - good sales growth
  - margins recovered in H2

### East Asia

- volume and margin improvement in H2
- total construction contracts let, up 40% on 2005

\* including JVs

\*\* before amortisation

## BRC Outlook

### UK and Ireland

- Construction market outlook is positive
- Double digit volume growth expected in 2007
- Capacity expansion taking place
- Slow start to 2007 due to weather
- Margins satisfactory
- Specialty products – continued growth expected



### East Asia

- Good underlying market environment
- Double digit sales growth (but risk from shortages of basic materials)
- Margins still too low

## Stadco Overview



£'m

Turnover\*

Operating Profit \*

Margin

	2006			2005
	H1	H2	FY	FY
Turnover*	77.4	63.3	140.7	139.2
Operating Profit *	6.2	4.3	10.5	6.3
Margin	8.0%	6.8%	7.5%	4.5%

- Operating profit growth 67% - post MG Rover recovery
- Reorganisation complete
- H1 benefit of engineering and tooling projects
- H2 volume down – Freelander and Mini model changeovers

\* from continuing operations before amortisation and exceptional items

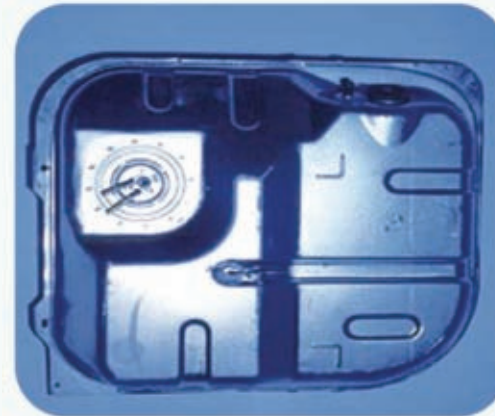
## Stadco Outlook

### 2007

- Flat volume outlook for 2007 (slow start)
- Absence of new tooling and engineering projects – no new model launches
- Margins on new work below expectations
- Full year impact of cost savings

### Medium term

- Two new models in 2008
- Russian projects – optimistic, but nothing yet finalised
- Continuing concentration of the sector



## Summary

- Trading prospects for 2007 are good
  - strong construction sector
  - partly offset by a weaker year in Stadco
  - overall, good progress expected
  
- Medium term prospects
  - Outlook for construction sector is good for several years
  - BRC expects to benefit from strengthening its market position as well as from underlying growth
  - Stadco
    - new model wins for 2008/9
    - geographic expansion (especially Russia)
    - sector consolidation