



2007 Interim Results
13 September 2007

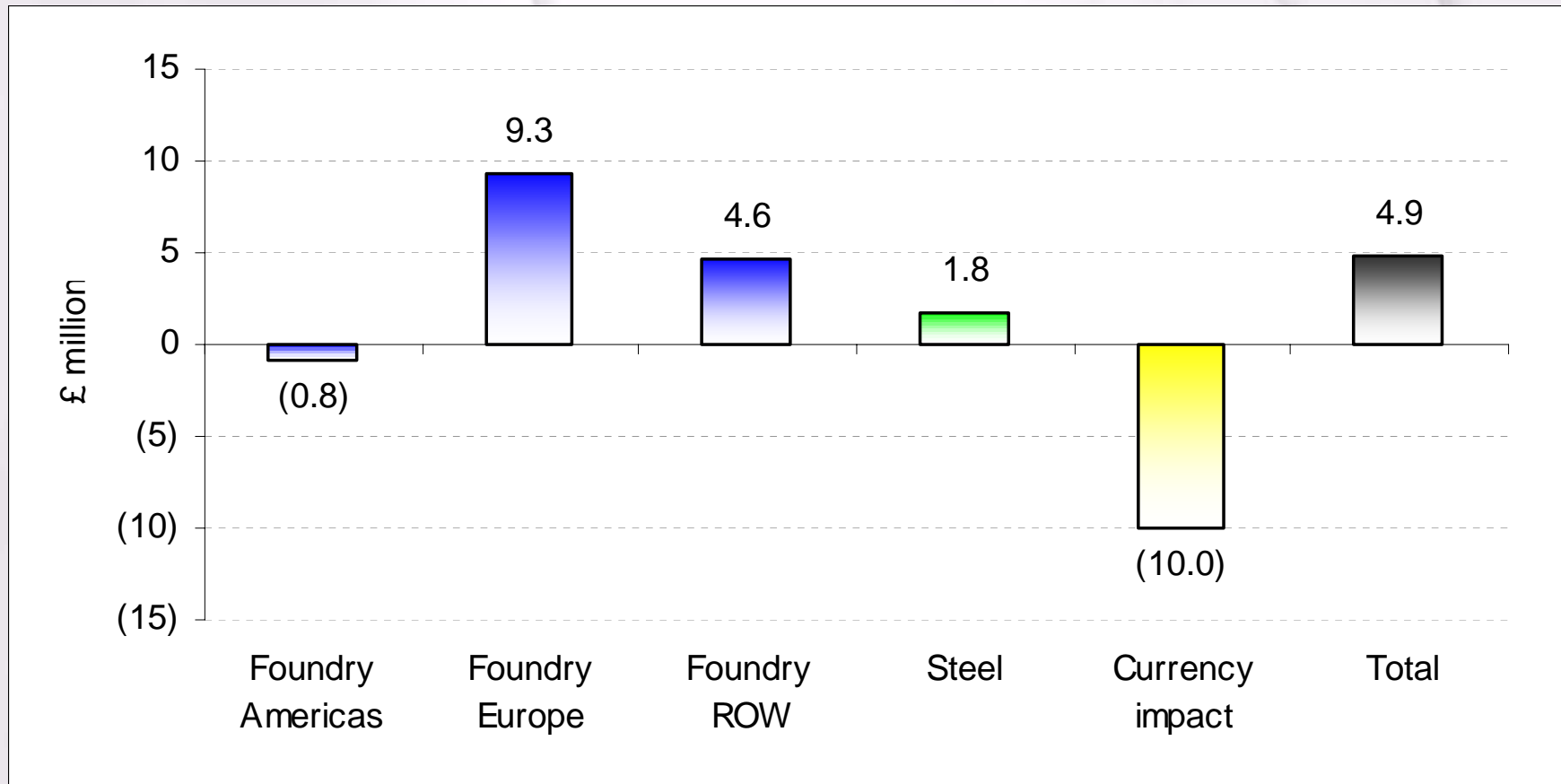
Overview

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Revenue	215.1	200.2	210.2	7.4%	2.3%
Operating profit	25.8	23.1	24.8	11.7%	4.0%
Operating margin	12.0%	11.5%	11.8%		
Profit before tax	23.1	20.4	22.0	13.2%	5.0%
EPS (continuing only, pre-exceptional)	8.3p	6.9p	7.7p	20.3%	7.8%
EPS (continuing only, post-exceptional)	7.6p	6.9p	7.7p	10.1%	-1.3%

All figures in the presentation are shown pre-exceptional items unless stated otherwise

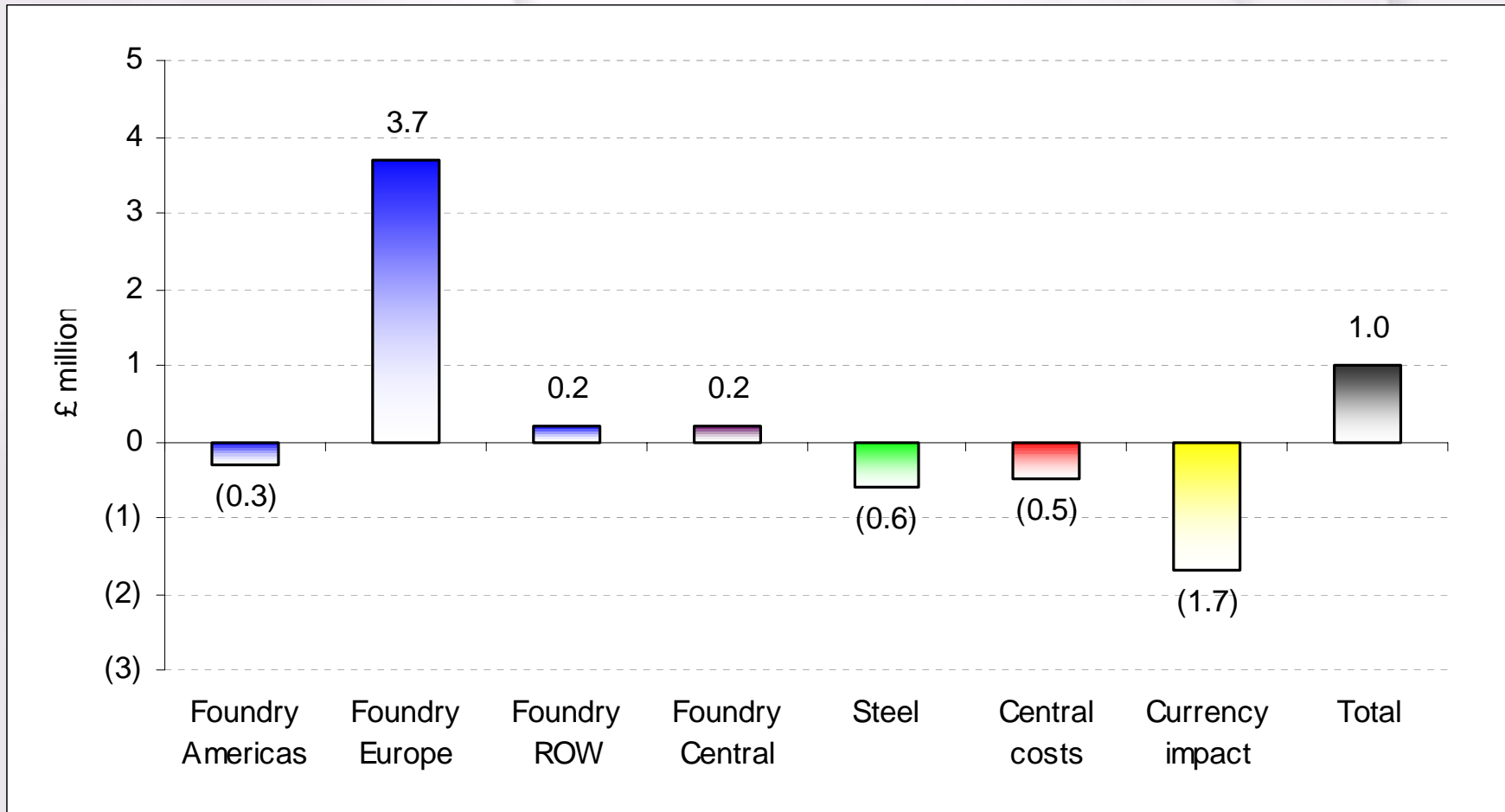
- Revenue and operating profit increased by 7.4% and 11.7% on a constant currency basis
- Basic earnings per share of 8.3p (pre-exceptional)
- Interim dividend per share of 1.73p
- Strong progress in Foundry in both revenue and operating margins
- Good progress in Steel revenues; continuing investment in geographic / product expansion

Variance Analysis - Revenue



- Notes:
- Revenue by geographic location of the operation
 - Geographic splits are shown at constant exchange rates

Variance Analysis - Operating Profit



Note: - Geographic splits are shown at constant exchange rates

Foundry

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Revenue	173.3	160.2	168.6	8.2%	2.8%
Operating profit	27.4	23.6	25.2	16.1%	8.7%
Operating margin	15.8%	14.7%	14.9%		

- Strong revenue increase
- Strong demand in Europe and Asia
- Operating margins have improved, particularly in Europe

Foundry - Market Backdrop

- Germany - Ferrous casting output year on year increase of 8.8%
June year to date
(source: German Foundry Association)
- US / Canada - full year overall casting volumes projected to be
down around 5.4%
(source: Stratacast)
- Japan - Ductile iron casting output year on year increase of 2.1%
May year to date
(source: Japanese Materials Process Technology Centre)

Foundry - Material & Energy Costs

	% of COS	% change in cost index H1 2007 vs H1 2006
Raw materials	50%	+6%
Gas	2%	-19%
Electricity	1%	+18%

Foundry Europe

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Revenue	81.9	72.6	74.0	12.8%	10.7%
Operating profit	16.9	13.2	13.5	28.0%	25.2%
Operating margin	20.6%	18.2%	18.2%		

- 12.7% revenue growth in Western Europe
- 14.0% revenue growth in Central / Eastern Europe
- Operating margins improved strongly

Foundry Americas

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Revenue	39.0	39.8	42.7	-2.0%	-8.7%
Operating profit	3.9	4.2	4.5	-7.1%	-13.3%
Operating margin	10.0%	10.6%	10.5%		

- US / Canada revenue down, but offset by revenue growth in Mexico and Brazil
- Margin eases slightly

Foundry Rest Of The World

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Revenue	52.4	47.8	51.9	9.6%	1.0%
Operating profit	11.1	10.9	11.9	1.8%	-6.7%
Operating margin	21.2%	22.8%	22.9%		

- Increased revenues in both mature and developing markets
- China continued to grow strongly (revenue up 29.4%)
- India also up 21.4%
- Margins remain high but some short term cost pressures

Steel

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Revenue	41.8	40.0	41.6	4.5%	0.5%
Operating profit	1.1	1.7	1.8	-35.3%	-38.9%
Operating margin	2.6%	4.3%	4.3%		

- Increase in revenue of 4.5% exceeded the steel market, which was flat (NorAm / Europe)
- Decrease in operating profit due to continued investment and delayed recovery of input cost increases

Steel - Market Backdrop

- Europe (EU27) - year on year increase of 3.0% June year to date (source: MEPS)
- United States - year on year decrease of 5.1% June year to date (source: MEPS)

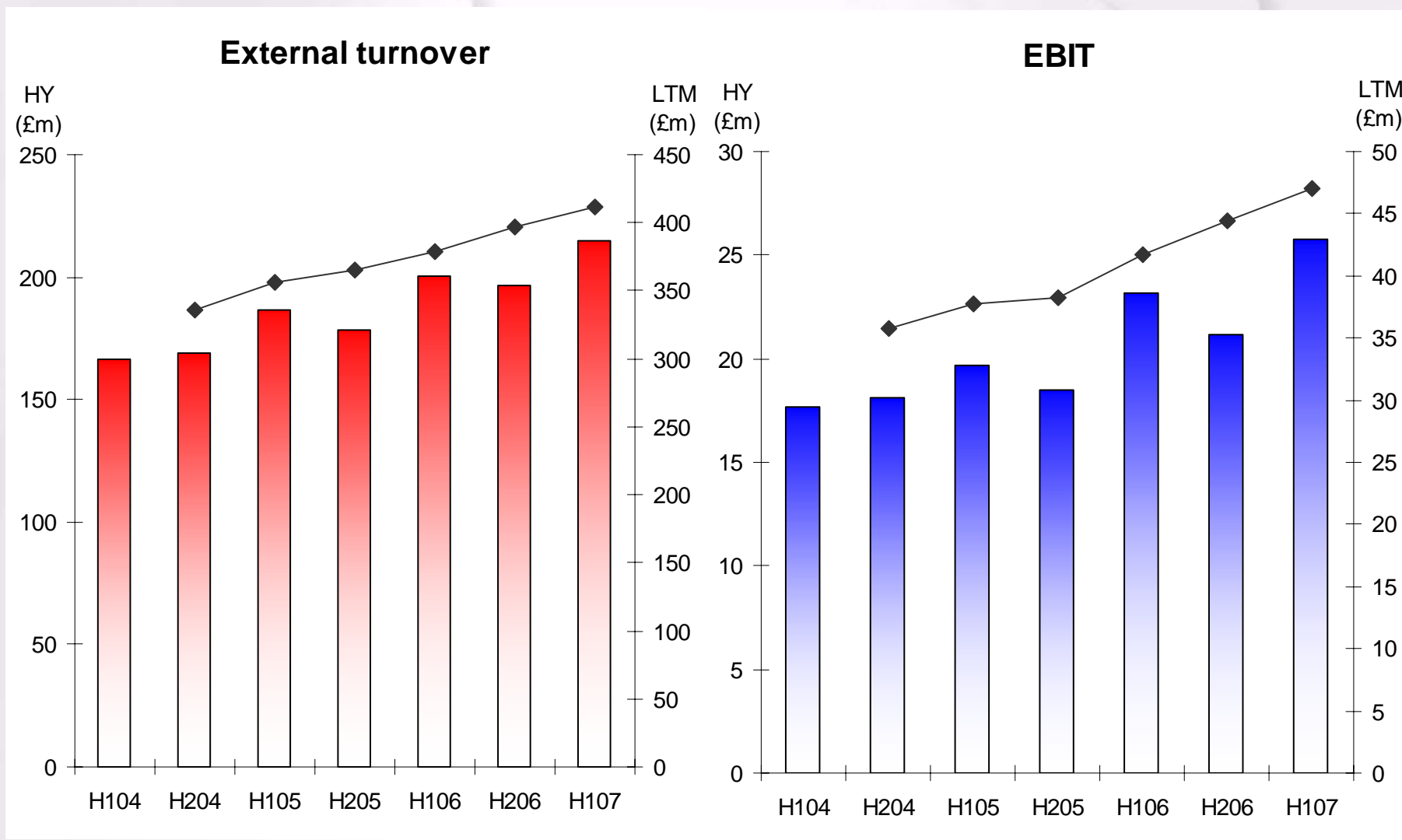
Steel - Material & Energy Costs

	% of COS	% change in cost index H1 2007 vs H1 2006
Raw materials	36%	+3%
Gas	2%	-26%
Electricity	2%	+15%

Operating Profit

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Foundry	27.4	23.6	25.2	16.1%	8.7%
Steel	1.1	1.7	1.8	-35.3%	-38.9%
Central costs	(2.7)	(2.2)	(2.2)	22.7%	22.7%
Total	25.8	23.1	24.8	11.7%	4.0%

Half Year Analysis



Note: Comparatives shown at constant currency

Financial Highlights

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Revenue	215.1	200.2	210.2	7.4%	2.3%
Operating profit	25.8	23.1	24.8	11.7%	4.0%
Operating margin	12.0%	11.5%	11.8%		
Net finance costs	(2.7)	(2.7)	(2.8)	0.0%	-3.6%
Interest cover	9.6x	8.6x	8.9x		
Profit before tax	23.1	20.4	22.0	13.2%	5.0%
Tax rate	37.7%	40.7%	39.5%		
EPS (continuing only, pre-exceptional)	8.3p	6.9p	7.7p	20.3%	7.8%
EPS (continuing only, post-exceptional)	7.6p	6.9p	7.7p	10.1%	-1.3%

- Net interest in line with 2006 with a healthy interest cover
- Tax rates declined slightly

FX Effect

FY 2006 results (£ million)	at 2007 pro-forma rates	at H1 2007 closing rates	at H1 2007 average rates	at FY 2006 closing rates	at FY 2006 average rates
Revenue	396.7	396.9	397.1	396.3	408.8
Operating profit	44.4	44.4	44.3	44.2	46.1
Operating margin	11.2%	11.2%	11.2%	11.2%	11.3%
Profit before tax	38.7	38.7	38.7	38.5	40.4
Tax rate	39.3%	39.3%	39.3%	39.2%	38.6%
EPS (continuing only, pre-exceptional)	13.4p	13.5p	13.4p	13.4p	14.2p

Note: Pro forma rates assume August closing rates for the remainder of 2007

Exceptional Costs

£ million	H1 2007	H1 2006 constant currency	H1 2006 historic rates	% change constant rates	% change historic rates
Profit before tax (pre-exceptional)	23.1	20.4	22.0	13.2%	5.0%
Exceptional costs	(1.2)	-	-		
Profit before tax (post-exceptional)	<u>21.9</u>	<u>20.4</u>	<u>22.0</u>	7.4%	-0.5%

- Restructuring project in Western Europe of £1.2m

Balance Sheet

£ million	H1 2007	H1 2006	% change
Non-current assets	102.0	102.5	-0.5%
Current assets	152.5	152.0	0.3%
Total Assets	<u>254.5</u>	<u>254.5</u>	0.0%
Equity	28.7	16.1	78.3%
Non-current liabilities	145.4	158.4	-8.2%
Current liabilities	80.4	80.0	0.5%
Total liabilities	<u>225.8</u>	<u>238.4</u>	-5.3%
Total equity & liabilities	<u>254.5</u>	<u>254.5</u>	0.0%
Net debt	99.5	95.7	4.0%

Working Capital Days

	H1 2007	H1 2006	FY 2006
Foundry			
Stock days	44	45	48
Trade debtor days	61	60	61
Trade creditor days	38	40	43
Steel			
Stock days	45	44	45
Trade debtor days	55	50	55
Trade creditor days	27	31	36

Note: Calculated on a countback basis

Operating Cash Flow


£ million	H1 2007	H1 2006	% change	FY 2006
Operating profit before exceptionals	25.8	24.8	4.0%	46.1
Depreciation and amortisation	5.6	5.5		11.0
Non cash Ltip charge	0.6	0.4		0.8
Working capital	(13.2)	(7.2)		(3.8)
Borrowing costs	(3.0)	(2.7)		(5.7)
Income tax paid	(9.7)	(9.1)		(16.0)
Operating cash flow before exceptional items	<u>6.1</u>	<u>11.7</u>	-47.9%	<u>32.4</u>
Cash flow from exceptional items	(0.9)	-		(0.5)
Operating cash flow after exceptional items	<u><u>5.2</u></u>	<u><u>11.7</u></u>	-55.6%	<u><u>31.9</u></u>

Net Cash Flow

£ million	H1 2007	H1 2006	FY 2006
Operating cash flow after exceptional items	5.2	11.7	31.9
Net capital expenditure	(4.0)	(4.6)	(12.9)
Interest received	0.4	0.3	0.6
Returns to shareholders & minorities	(6.2)	(6.2)	(9.1)
Purchase of treasury shares and share buyback	(7.6)	(1.0)	(1.5)
Change in borrowings	(1.4)	(0.4)	(1.7)
Change in cash and cash equivalents	<u>(13.6)</u>	<u>(0.2)</u>	<u>7.3</u>

Outlook - Full Year 2007

- Outlook remains positive
- Further trading progress anticipated



Appendix

FX Rates

Average exchange rates used for the translation of the income statement

		2007 pro forma	Jun 2007 closing	H1 2007	FY 2006	H1 2006
Eurozone	€	1.48	1.49	1.48	1.47	1.45
United States	US\$	2.00	2.01	1.97	1.85	1.79
Brazil	Real	3.99	3.86	4.03	4.02	3.94
Japan	Yen	236.34	247.77	237.36	213.72	206.71
China	Renminbi	15.24	15.27	15.23	14.72	14.38
India	Rupee	83.37	81.71	84.21	83.53	80.59
Australia	A\$	2.45	2.36	2.44	2.44	2.41
Canada	C\$	2.19	2.13	2.23	2.09	2.03
South Korea	Won	1,864.24	1,853.67	1,843.51	1,760.27	1,724.93
South Africa	Rand	14.27	14.15	14.11	12.59	11.42

Note: Pro forma rates assume August closing rates for the remainder of 2007