



## 2005 Interim Results

15 September 2005

Danny Rosenkranz - Chairman

Jamie Pike - Chief Executive

Paul Dean - Finance Director

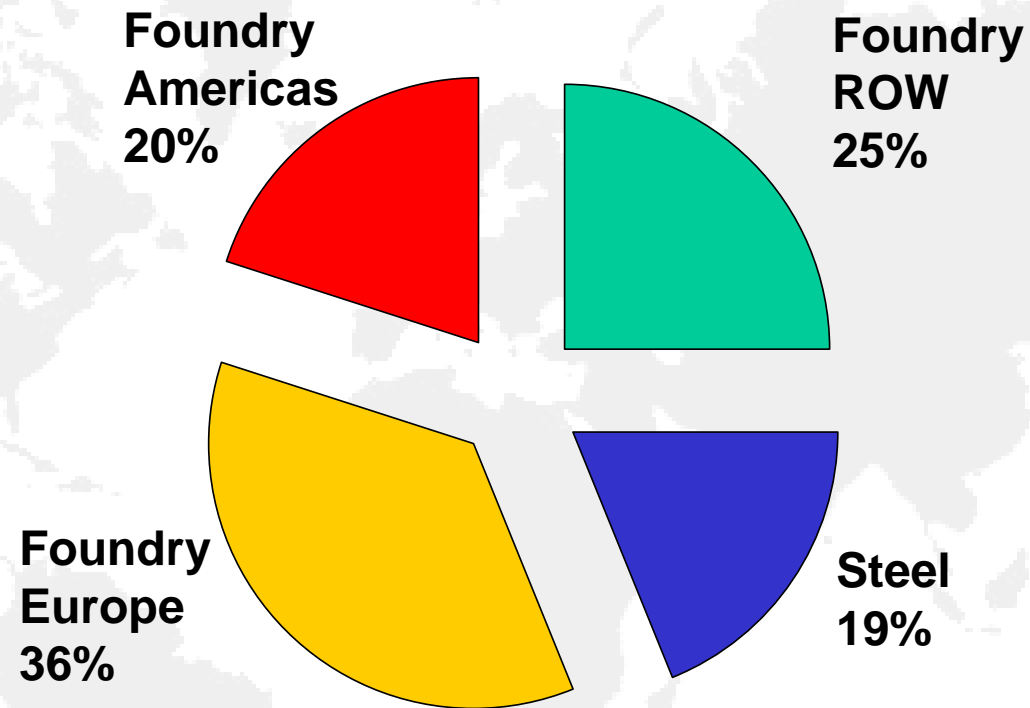
# Overview of 2005 Half Year



	H1 2005 £m	H1 2004 £m	change
<b>Sales</b>	<b>190.4</b>	<b>168.1</b>	<b>13.3%</b>
<b>Operating profit</b>	<b>20.4</b>	<b>18.0</b>	<b>13.3%</b>
<b>Margin</b>	<b>10.7%</b>	<b>10.7%</b>	
<b>Profit before tax</b>	<b>17.6</b>	<b>13.1</b>	<b>34.4%</b>
<b>EPS</b>	<b>6.1p</b>	<b>3.8p</b>	<b>60.5%</b>

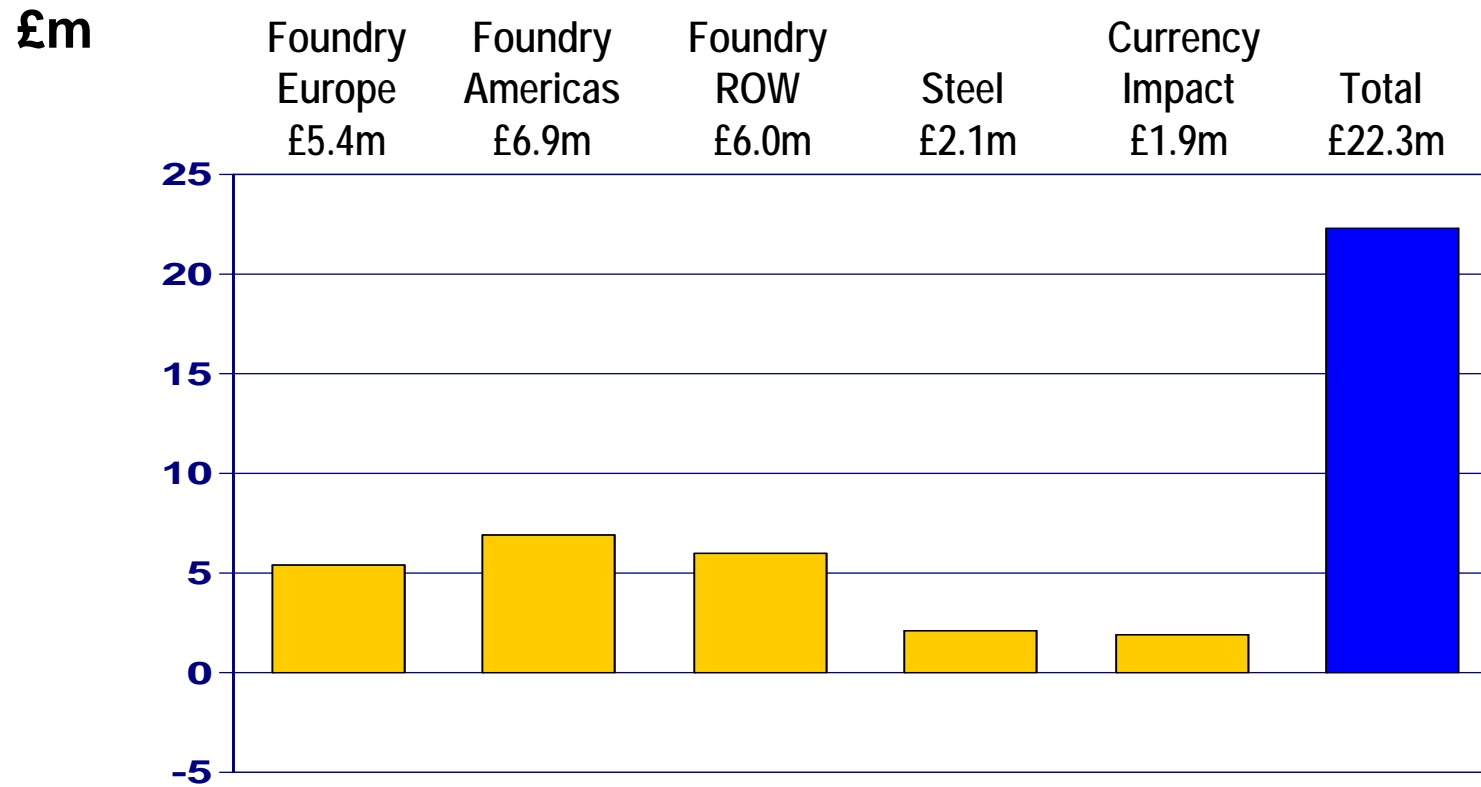
- Sales and operating profit increased by 13%
- Earnings per share (before exceptional items) 6.1p
- Interim dividend of 1.4p per share
- Foundry progressing well in both developed and developing markets
- Steel facing uncertain markets; CBC strategy on track

# Geographic Analysis: Sales



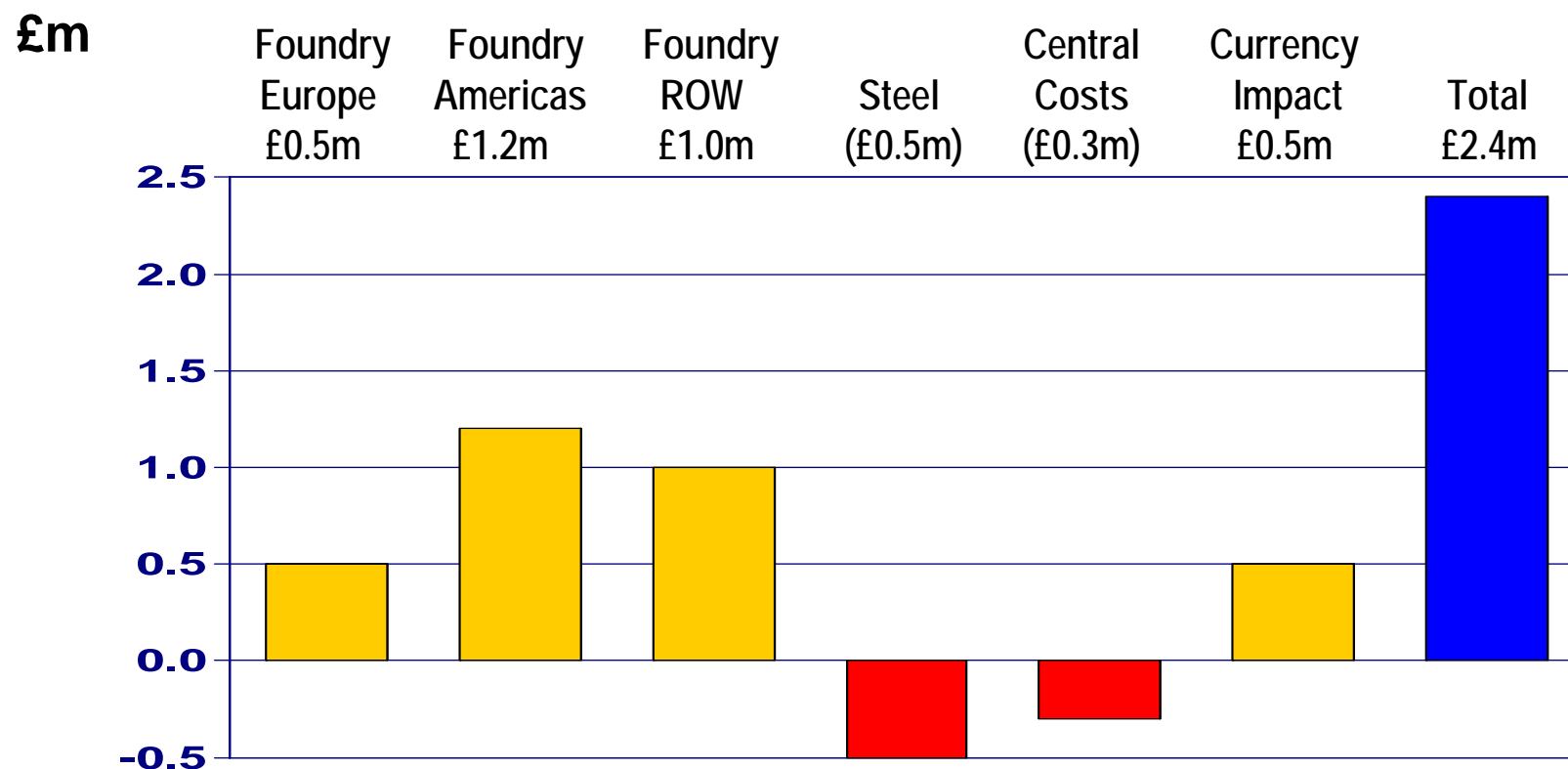
Sales by geographic location of the operation.

# Variance analysis: Sales



Note : Sales are to third parties 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.

	H1 2005 £m	H1 2004 £m	change historic rates	change constant rates
<b>Sales</b>	<b>153.5</b>	<b>133.3</b>	<b>15.2%</b>	<b>13.5%</b>
<b>Operating profit</b>	<b>20.1</b>	<b>17.1</b>	<b>17.5%</b>	<b>14.8%</b>
<b>Margin</b>	<b>13.1%</b>	<b>12.8%</b>		

- **Substantial sales increase**
- **Success of customer focussed strategy**
- **Favourable conditions in developed markets**
- **Successful exploitation of growth in developing markets**

# Foundry Europe



	H1 2005 £m	H1 2004 £m	change historic rates	change constant rates
<b>Sales</b>	<b>68.1</b>	<b>61.8</b>	<b>10.2%</b>	<b>8.6%</b>
<b>Operating profit</b>	<b>10.4</b>	<b>9.8</b>	<b>6.1%</b>	<b>4.6%</b>
<b>Margin</b>	<b>15.3%</b>	<b>15.9%</b>		

- **7% Sales growth in developed markets**
- **30% Sales growth in developing markets**
- **Margin affected by raw material price increases**

# Foundry Americas



	H1 2005 £m	H1 2004 £m	change historic rates	change constant rates
<b>Sales</b>	<b>38.0</b>	<b>30.5</b>	<b>24.6%</b>	<b>22.2%</b>
<b>Operating profit</b>	<b>3.2</b>	<b>1.8</b>	<b>77.8%</b>	<b>58.4%</b>
<b>Margin</b>	<b>8.4%</b>	<b>5.9%</b>		

- **Substantial sales increase in both North and South America**
- **Half the increase in North America due to improved market**
- **Half due to successful implementation of growth plans**

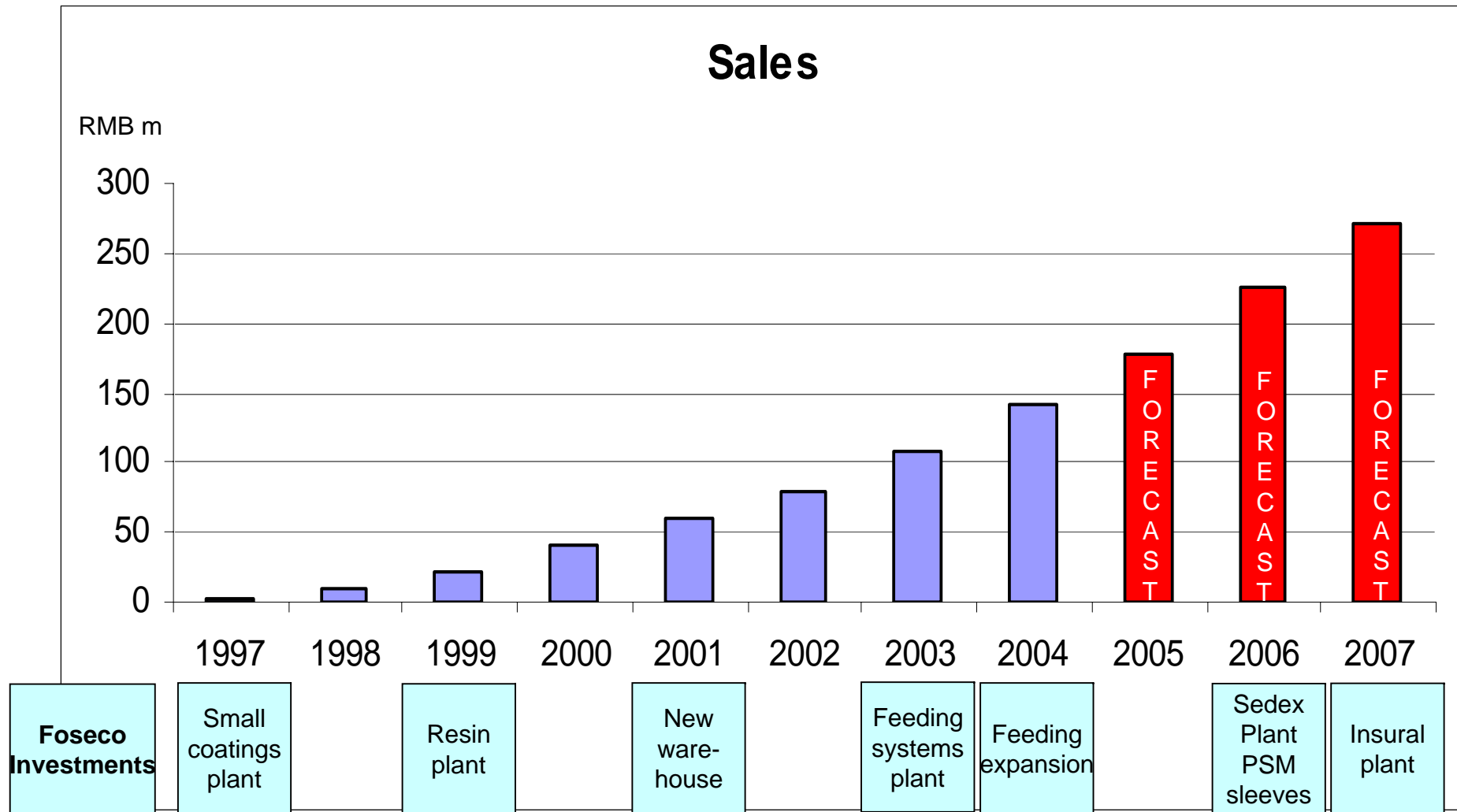
# Foundry Rest of the World



	H1 2005 £m	H1 2004 £m	change historic rates	change constant rates
<b>Sales</b>	<b>47.4</b>	<b>41.0</b>	<b>15.6%</b>	<b>14.5%</b>
<b>Operating profit</b>	<b>10.4</b>	<b>9.4</b>	<b>10.6%</b>	<b>10.6%</b>
<b>Margin</b>	<b>21.9%</b>	<b>22.9%</b>		

- All operations recorded increased sales
- Higher growth rates in developing markets
- China sales rose 27% on broadening product range and increased market penetration

# Foundry China Development



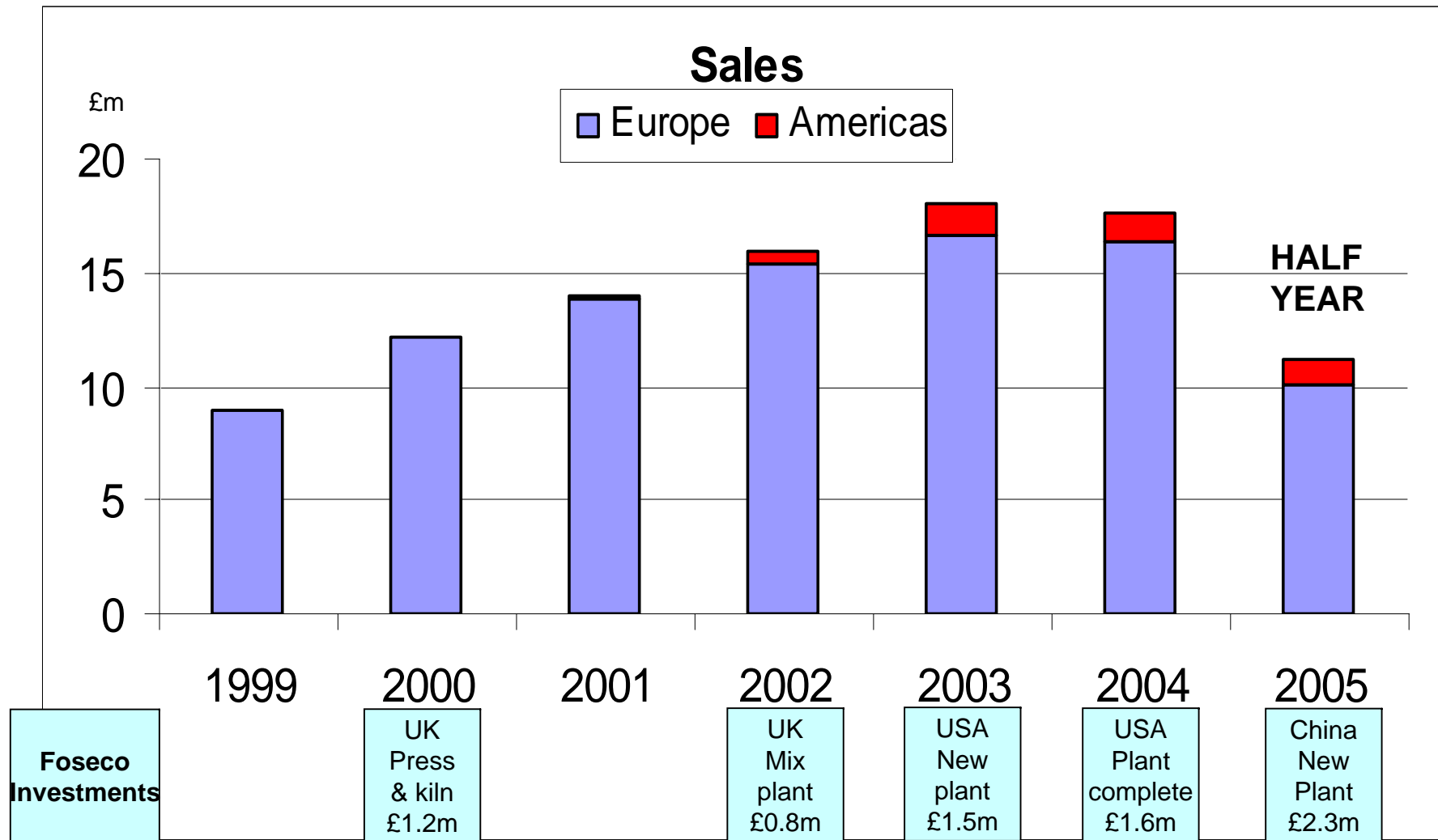
# Steel



	H1 2005 £m	H1 2004 £m	change historic rates	change constant rates
<b>Sales</b>	<b>36.9</b>	<b>34.8</b>	<b>6.0%</b>	<b>6.0%</b>
<b>Operating profit</b>	<b>2.1</b>	<b>2.6</b>	<b>(19.2%)</b>	<b>(19.2%)</b>
<b>Margin</b>	<b>5.7%</b>	<b>7.5%</b>		

- **Good sales growth in Europe**
- **Sales flat in North America**
- **Fall in operating profit principally due to planned start-up costs of CBC plant in North America**

# CBC investment



# Financial Highlights



	H1 2005 £m	H1 2004 £m	change
<b>Sales</b>	<b>190.4</b>	<b>168.1</b>	<b>13.3%</b>
<b>Operating profit</b>	<b>20.4</b>	<b>18.0</b>	<b>13.3%</b>
<b>Margin</b>	<b>10.7%</b>	<b>10.7%</b>	
<b>Net finance costs</b>	<b>(2.8)</b>	<b>(4.9)</b>	<b>(42.9%)</b>
<b>Interest cover</b>	<b>7.3x</b>	<b>3.7x</b>	
<b>Profit before tax</b>	<b>17.6</b>	<b>13.1</b>	<b>34.4%</b>
<b>Tax rate</b>	<b>39.2%</b>	<b>47.3%</b>	
<b>EPS</b>	<b>6.1p</b>	<b>3.8p</b>	<b>60.5%</b>

- **Finance costs fell substantially due to redemption of deep discounted bonds in mid 2004**
- **Tax rate reduced due to refinancing on flotation**

# Exceptionals & Discontinued operations



	H1 2005
EXCEPTIONAL ITEMS	£m
Listing costs	(3.8)
Silica indemnity	(1.8)
Release of impairment provision	0.9
Costs of attempted disposal	0.7
Other	(0.1)
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Operating loss	(4.1)
Finance costs	(3.3)
Tax	(0.5)
DISCONTINUED OPERATIONS	
Loss for the period	-
Gain on disposal of Chem-Trend	-
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(Loss)/profit for the period	(7.9)
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# Cash flow from operating activities



	H1 2005	H1 2004	FY 2004
	£m	£m	£m
<b>Operating profit before exceptionals</b>	<b>20.4</b>	<b>18.0</b>	<b>36.4</b>
<b>Depreciation &amp; amortisation</b>	<b>5.0</b>	<b>4.9</b>	<b>9.8</b>
<b>Working capital</b>	<b>(5.5)</b>	<b>(5.1)</b>	<b>(4.0)</b>
<b>Borrowing costs</b>	<b>(2.3)</b>	<b>(1.7)</b>	<b>(4.4)</b>
<b>Income tax paid</b>	<b>(6.5)</b>	<b>(4.1)</b>	<b>(11.0)</b>
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<b>Operating cash flow before exceptionals</b>	<b>11.1</b>	<b>12.0</b>	<b>26.8</b>
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<b>Cash flow from exceptional items</b>	<b>(9.6)</b>	<b>(2.9)</b>	<b>(5.3)</b>
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<b>Operating cash flow after exceptionals</b>	<b>1.5</b>	<b>9.1</b>	<b>21.5</b>
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# Cash flow



	H1 2005	H1 2004	FY 2004
	£m	£m	£m
<b>Operating cash flow after exceptionals</b>	<b>1.5</b>	<b>9.1</b>	<b>21.5</b>
<b>Net capital expenditure</b>	<b>(3.6)</b>	<b>(3.2)</b>	<b>(8.7)</b>
<b>Interest received</b>	<b>0.2</b>	<b>1.1</b>	<b>1.6</b>
<b>Returns to shareholders &amp; minorities</b>	<b>(36.1)</b>	<b>(0.3)</b>	<b>(0.6)</b>
<b>Disposal of businesses</b>	<b>-</b>	<b>51.3</b>	<b>52.0</b>
<b>Change in borrowings</b>	<b>37.2</b>	<b>(70.4)</b>	<b>(75.6)</b>
<b>Change in cash</b>	<b>(0.8)</b>	<b>(12.4)</b>	<b>(9.8)</b>

# Balance Sheet



	H1 2005 £m	H1 2004 £m	FY 2004 £m
<b>Non-current Assets</b>	<b>101.6</b>	<b>99.8</b>	<b>101.8</b>
<b>Current Assets</b>	<b>137.2</b>	<b>123.5</b>	<b>127.0</b>
<b>Total Assets</b>	<b>238.8</b>	<b>223.3</b>	<b>228.8</b>
<b>Total Equity</b>	<b>10.1</b>	<b>27.9</b>	<b>39.9</b>
<b>Non-current Liabilities</b>	<b>151.9</b>	<b>116.0</b>	<b>103.7</b>
<b>Current Liabilities</b>	<b>76.8</b>	<b>79.4</b>	<b>85.2</b>
<b>Total Liabilities</b>	<b>228.7</b>	<b>195.4</b>	<b>188.9</b>
<b>Total Equity &amp; Liabilities</b>	<b>238.8</b>	<b>223.3</b>	<b>228.8</b>
<b>Net Debt</b>	<b>99.8</b>	<b>66.5</b>	<b>59.7</b>

- **Markets remain broadly favourable**
- **Rates of growth likely to moderate**
- **Further progress is anticipated**

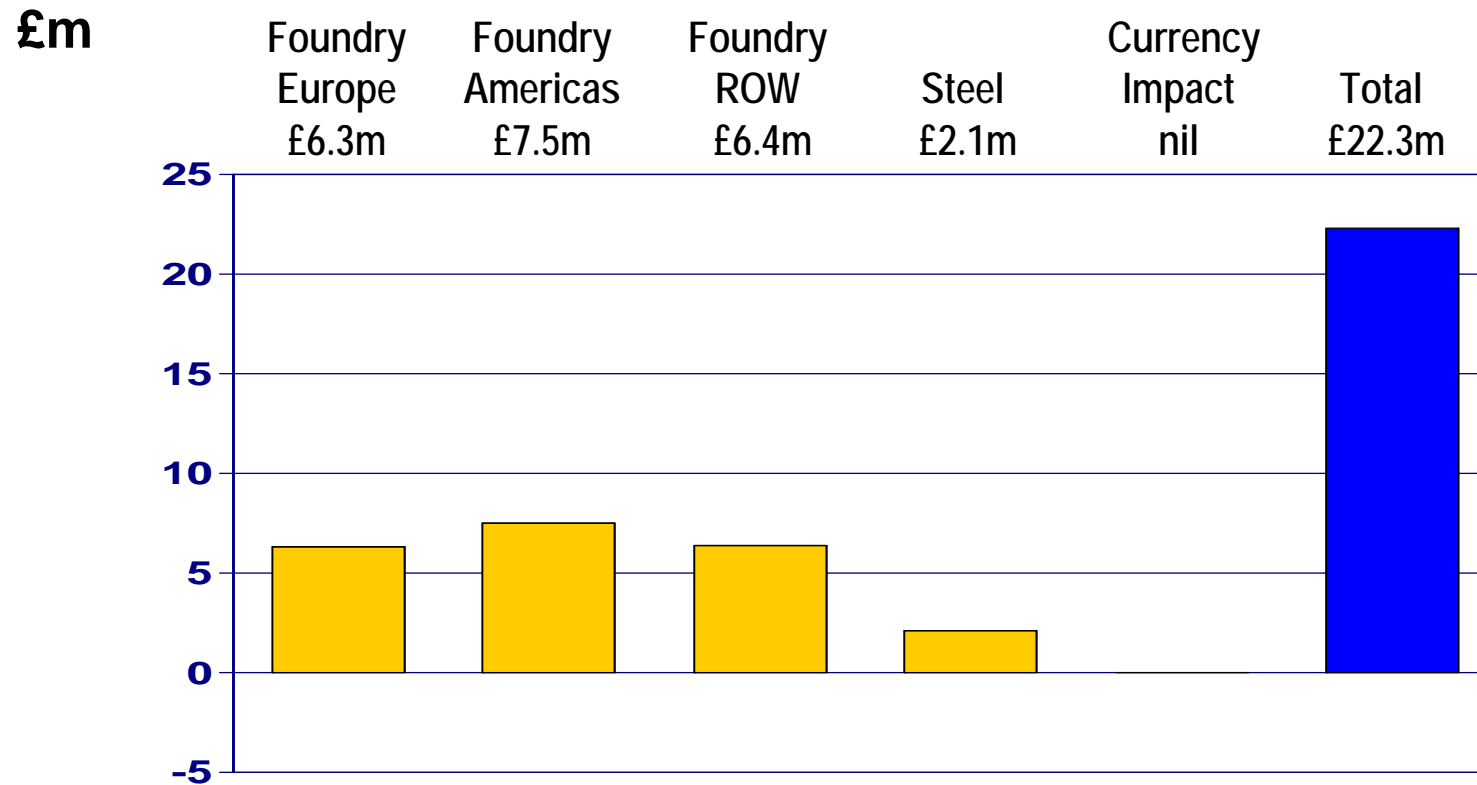


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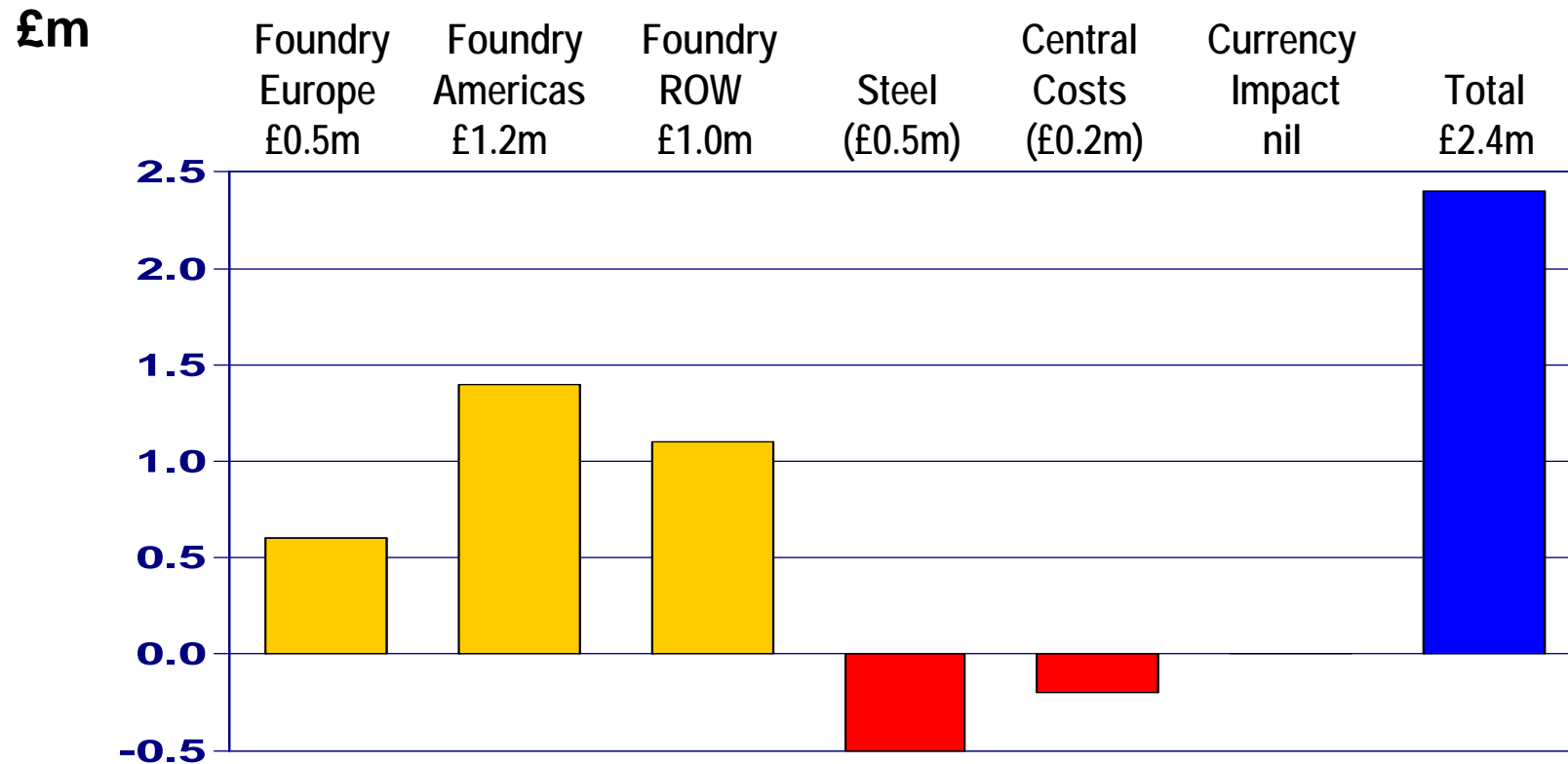
Questions

# Variance analysis: Sales



Note : Sales are to third parties by geographic location of the operation.  
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# Variance analysis: Operating profit



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