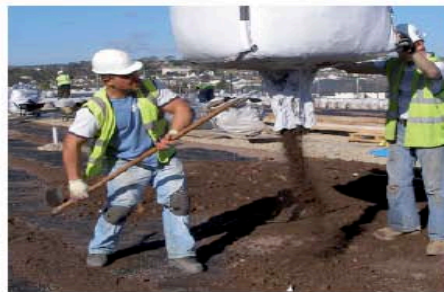
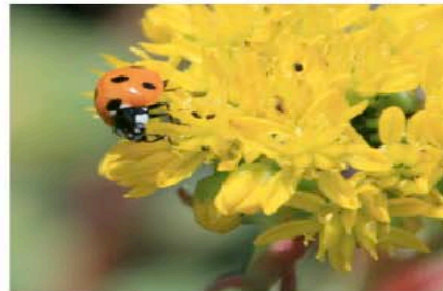


# The Alumasc Group plc

## Annual Results to 30 June 2012







## 1. Overview

## 2. Financial Review

## 3. Business Review & Outlook

**Paul Hooper**  
Chief Executive

**Andrew Magson**  
Finance Director



## 1. Overview

## 2. Financial Review

## 3. Business Review & Outlook

**Paul Hooper**  
Chief Executive

**Andrew Magson**  
Finance Director

# Overview

---

- **Group revenues up 4% to £110.6m**
- **Underlying operating profit down from £5.7m to £2.6m due to previously reported issues at Alumasc Precision Components**
- **Robust cash performance: 30 June 2012 net debt of £13.2m**
- **Underlying EPS of 3.0p, full year dividend reduced to 2.0p**
- **Basic EPS of 1.2p**
- **Intention to restore meaningful dividend payments once cover is achieved from underlying earnings**
- **Alumasc Precision management successfully strengthened including Keith Walden's appointment to The Alumasc Group plc main board**
- **Alumasc Precision recovery plan in place with a return to run rate profit expected in H2**
- **Building Products' operating profit ahead by 12% with record year end order book of £29m (30 June 2011 : £14m)**





**1. Overview**

**2. Financial Review**

**3. Business Review & Outlook**

**Paul Hooper**  
**Chief Executive**

**Andrew Magson**  
**Finance Director**

# Income Statement Summary (£m)

12 months to 30 June 2012



	<u>2012</u>	<u>2011</u>	<u>Change</u>
	<u>£m</u>	<u>£m</u>	<u>%</u>
Revenue	<u>110.6</u>	<u>106.8</u>	<u>3.6</u>
Underlying Operating Profit	2.6	5.7	(54.6)
Net Financing Costs	(1.0)	(1.4)	27.3
Underlying Profit Before Tax	<u>1.6</u>	<u>4.3</u>	<u>(63.6)</u>
Non-recurring items, restructuring & brand amortisation	(1.2)	1.1	
Profit Before Tax	<u>0.4</u>	<u>5.4</u>	<u>(92.8)</u>
Gross Margin (%)	23.6	28.3	
Operating Margin (%)	2.3	5.3	
Underlying EPS (pence)	3.0	8.3	
Basic EPS (pence)	1.2	10.7	

# Income Statement : Segmental Analysis

12 months to 30 June 2012



	<u>2012</u>		<u>2011</u>		<u>2012</u>	<u>2011</u>
	<u>Underlying</u>		<u>Underlying</u>		<u>Underlying</u>	
	<u>Revenue</u>	<u>Operating Profit<sup>(1)</sup></u>	<u>Revenue</u>	<u>Operating Profit<sup>(1)</sup></u>	<u>Operating Margin</u>	
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>%</u>	<u>%</u>
<b>Building Products</b>						
Solar Shading	16.7	0.3	17.0	0.8	1.5	4.5
Roofing & Walling	22.4	0.4	19.9	(0.4)	2.0	(1.8)
Construction Products	15.1	1.9	12.9	1.5	12.5	11.9
Rainwater, Drainage & Other	20.7	1.8	21.4	2.0	8.7	9.2
	<u>74.9</u>	<u>4.4</u>	<u>71.2</u>	<u>3.9</u>	<u>5.9</u>	<u>5.5</u>
<b>Engineering Products</b>						
Alumasc Precision	36.8	(0.8)	36.7	3.0	(2.1)	8.1
Intercompany / Unallocated	(1.1)	(1.0)	(1.1)	(1.2)		
<b>Total Group</b>	<u>110.6</u>	<u>2.6</u>	<u>106.8</u>	<u>5.7</u>	<u>2.3</u>	<u>5.3</u>

# Cash Flow Summary (£m)

## 12 months to 30 June 2012



	<u>2012</u>	<u>2011</u>	<u>Change</u>
EBITDA	5.4	8.1	(2.7)
Change in Working Capital	0.8	(1.1)	1.9
<b>Operating Cash Flow</b>	<b>6.2</b>	<b>7.0</b>	<b>(0.8)</b>
Capital Expenditure	(1.9)	(1.2)	(0.7)
Pension Deficit / Expenses Funding	(2.4)	(2.9)	0.5
Interest	(0.9)	(0.6)	(0.3)
Tax	(0.1)	(0.4)	0.3
Dividends	(2.8)	(3.6)	0.8
Restructuring & other	(0.6)	(1.0)	0.4
Property Disposal Proceeds	-	1.2	(1.2)
Exceptional Pension Contribution	-	(1.0)	1.0
Cash Flows from Discontinued Operation	-	1.1	(1.1)
<b>Net Cash Flow</b>	<b>(2.5)</b>	<b>(1.4)</b>	<b>(1.1)</b>
<b>Average Trading Working Capital % Sales</b>	<b>13.9</b>	<b>14.1</b>	



# Balance Sheet Summary (£m)

## at 30 June 2012



	<u>2012</u>	<u>2011</u>	<u>Change</u>
<b>Tangible Fixed Assets</b>	<b>13.8</b>	<b>14.6</b>	<b>(0.8)</b>
<b>Intangible Fixed Assets</b>	<b>19.9</b>	<b>20.4</b>	<b>(0.5)</b>
<b>Working Capital</b>	<b>11.6</b>	<b>12.4</b>	<b>(0.8)</b>
<b>Other Net Liabilities</b>	<b>(2.1)</b>	<b>(2.6)</b>	<b>0.5</b>
<b>Capital Invested</b>	<b>43.2</b>	<b>44.8</b>	<b>(1.6)</b>
<b>Net Borrowings</b>	<b>(13.2)</b>	<b>(10.7)</b>	<b>(2.5)</b>
<b>Pension Obligations <sup>(1)</sup></b>	<b>(11.1)</b>	<b>(2.1)</b>	<b>(9.0)</b>
<b>Net Assets</b>	<b>18.9</b>	<b>32.0</b>	<b>(13.1)</b>
<b>ROI (post tax) <sup>(2)</sup></b>	<b>4.0%</b>	<b>8.8%</b>	
<b>Gearing</b>	<b>70.0%</b>	<b>33.6%</b>	
<b>Interest Cover (times) <sup>(3)</sup></b>	<b>7.6</b>	<b>12.3</b>	
<b>Net debt/EBITDA <sup>(4)</sup></b>	<b>2.5</b>	<b>1.4</b>	

- (1) Calculated on an IAS19 basis, net of related deferred tax asset  
(2) Post-tax underlying operating profit divided by average capital invested  
(3) Underlying EBITDA divided by net interest cost on borrowings (banking covenant is > 4x)  
(4) Net debt plus contingent liabilities/underlying EBITDA (banking covenant < 3 times)



1. Overview
2. Financial Review
3. **Business Review & Outlook**

**Paul Hooper**  
Chief Executive

**Andrew Magson**  
Finance Director

# Engineering Products Division: Alumasc Precision

---



- **Underlying loss of £800k due to issues at Alumasc Precision Components:**
  - unexpected capacity constraints, particularly in Q2 led to high costs
  - profit recovery plan implemented following appointment of Les White (ex Dyson) as new MD
  - operations and engineering expertise brought in from Dyson into merged divisional structure
  - new divisional management team appointed
  - Keith Walden now appointed to Alumasc main board to oversee Alumasc Precision recovery
- **APC recovery plan anticipates return to run-rate profit in H2 2012/13. Main elements:**
  - selling price increases
  - improving manufacturing efficiency
  - cost reductions throughout the business including supplier costs
  - improving the new product introduction process and engineering disciplines
- **Meanwhile Dyson Diecasting produced a double digit operating return on increased revenues**



# Alumasc Precision Components

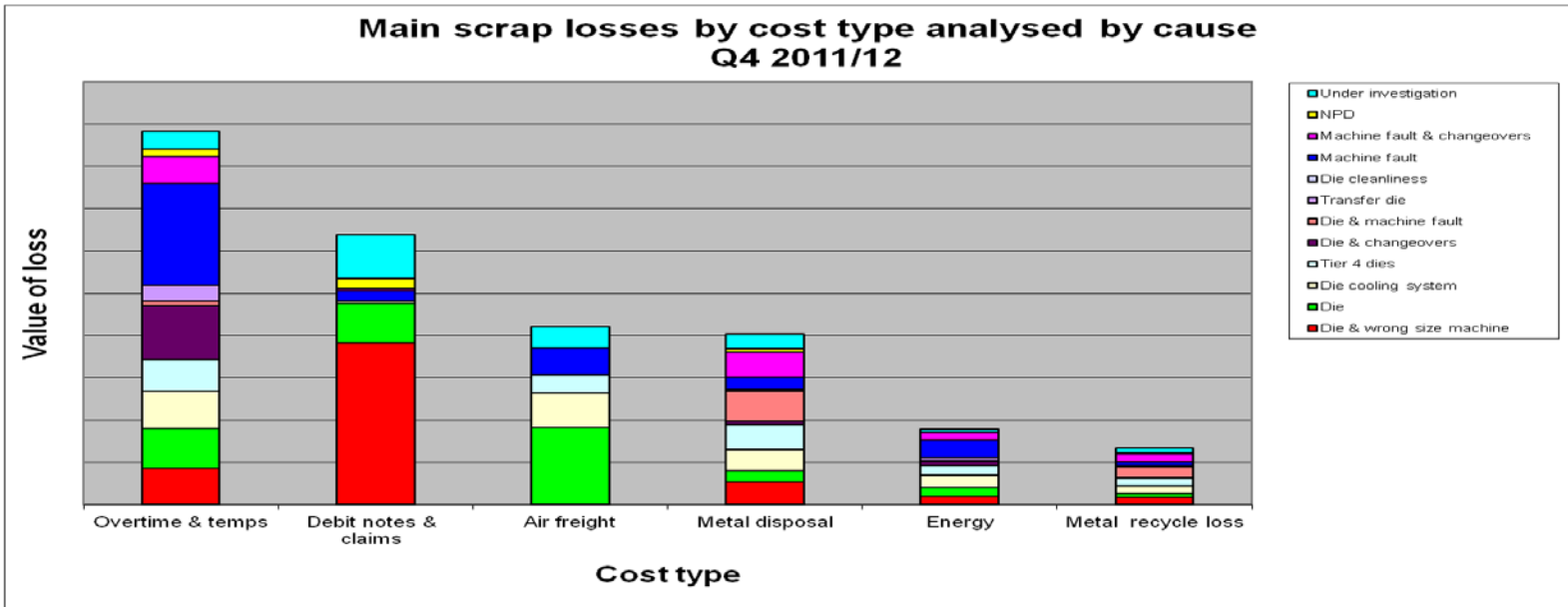
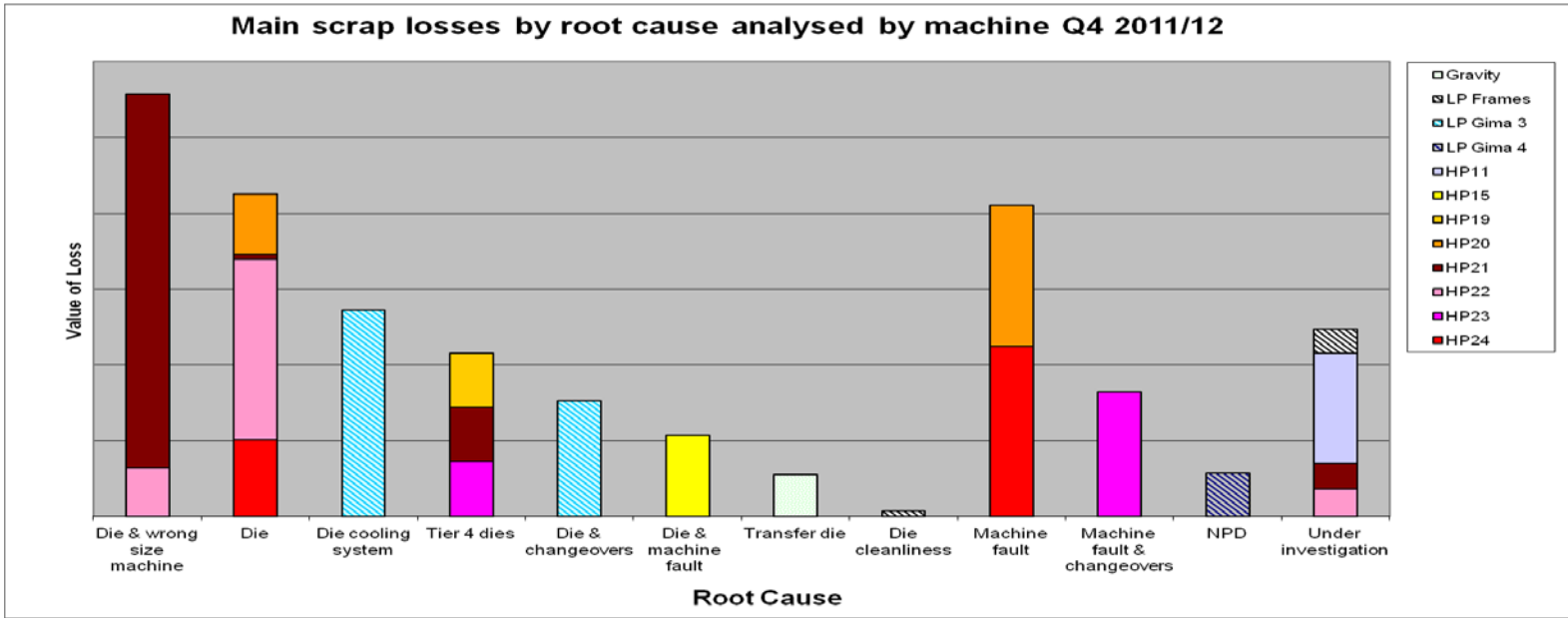
## Illustrative Path to Break Even



	<u>£m</u>	
<b>2011/12 Operating loss</b>	<b>(1.8)</b>	
<b>Gains already secured:</b>		
<b>Selling price increases</b>	<b>0.6</b>	
<b>Overhead savings</b>	<b>0.3</b>	
<b>Work in progress:</b>		
<b>Scrap &amp; waste reduction</b>	<b>0.7</b>	<b>Targeted efficiency savings are approximately double these levels</b>
<b>Other efficiency savings</b>	<b>0.2</b>	
<b>Break-even</b>	<hr style="border: none; border-top: 1px solid black;"/> <b>-</b> <hr style="border: none; border-top: 3px double black;"/>	

# APC – Attacking Manufacturing Inefficiencies

## Systematic Root Cause Analysis



# Building Products Division

---

- **Revenues grew by 5% to £74.9m**
- **Export sales grew by 46% to £9.7m**
- **Operating profit increased by 12% to £4.4m**
- **Overheads well controlled (2% increase) after investing £0.7m in sales/business development resources**
- **Excellent final quarter: revenue grew by £2.8m (15%) & operating profit by £1.4m (271%)**
- **Record year end order book of £29m (30 June 2011 : £14m)**



### Solar Shading

(Operating Profit £0.3m)

#### Margins impacted by:

- ◆ Lack of commercial & public sector projects
- ◆ Highly competitive market place

#### Developing presence in export markets:

- ◆ North America (revenue + 180%)
- ◆ Middle East and France
- ◆ Export strategy being given impetus by recruitment of an export manager

#### Levolux's two largest ever contracts won recently:

- ◆ £4.7m non-commercial project in central London
- ◆ £3.3m Chiswick Park

### Roofing & Walling

(Operating Profit £0.4m)

#### 13% Revenue growth driven by:

- ◆ First shipments in June to the £10m project for Rio Tinto Alcan smelter in Kitimat, Canada
- ◆ Strong growth in insulated render business from CESP projects
- ◆ New roofing products under Eurorooft branding

**Refocus of Roofing sales team to target the refurbishment market where margins are stronger**

**Green Deal offers significant medium term (2014 onwards) opportunities for Alumasc Insulated Renders**

### Construction Products (Operating Profit £1.9m)

**Strong revenue & profit growth driven by:**

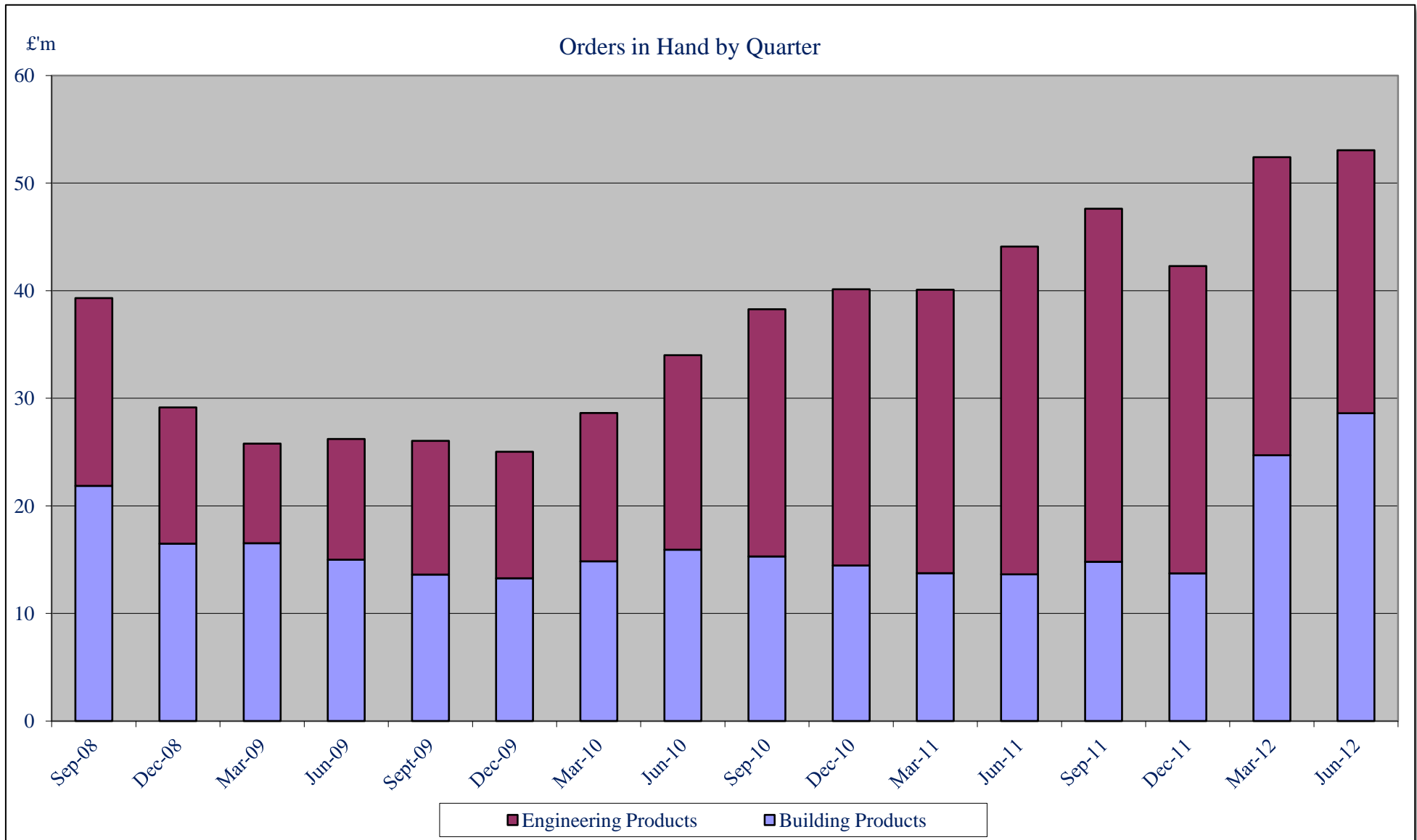
- ◆ UK Slotdrain market share gains in UK
- ◆ New product launches including CastSlot & MStrut
- ◆ International Gatic sales mix 50% of revenue including penetration of Slotdrain into US airports (Las Vegas, San Francisco and Atlanta) and large supply project to Kai Tak Cruise Terminal in Hong Kong

### Rainwater, Drainage & Other (Operating Profit £1.8m)

**Robust performance:**

- ◆ Significant improvement in customer service (On Time In Full 98.5% in last 6 months)
- ◆ Harmer Drainage renaissance with new product launches creating a 20% revenue increase
- ◆ Industry first with launch of a new rainwater and drainage calculator that saves architects and specifiers significant time
- ◆ Timloc, the Group's house building products business, reported its highest revenue and profit since its acquisition in 2004

# Order Book Development by Quarter





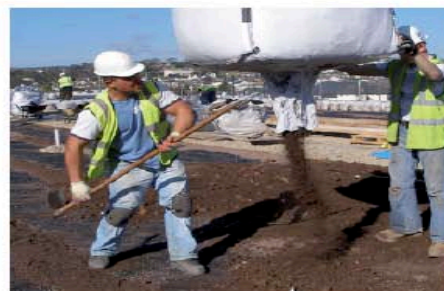
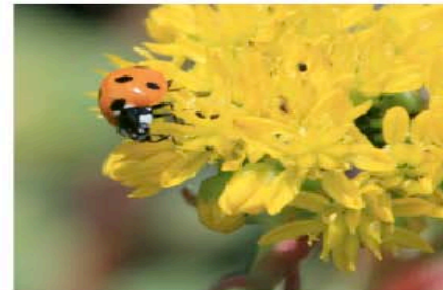
# Outlook

---

- **Progress in the Building Products division is being driven by management actions which have resulted in a record order book (including 3 significant projects) and new product launches**
- **Alumasc Precision is beginning to recover and is planned to return to run rate profit in H2 of 2012/13**
- **Overall, in view of recent trading and a record group order book of £53m (2011 : £44m) the Board expects Alumasc to have a much improved year in 2012/13**
- **As group profits recover, it is the Board's intention to restore meaningful dividend payments once cover is achieved from underlying earnings**

# The Alumasc Group plc

## Annual Results to 30 June 2012

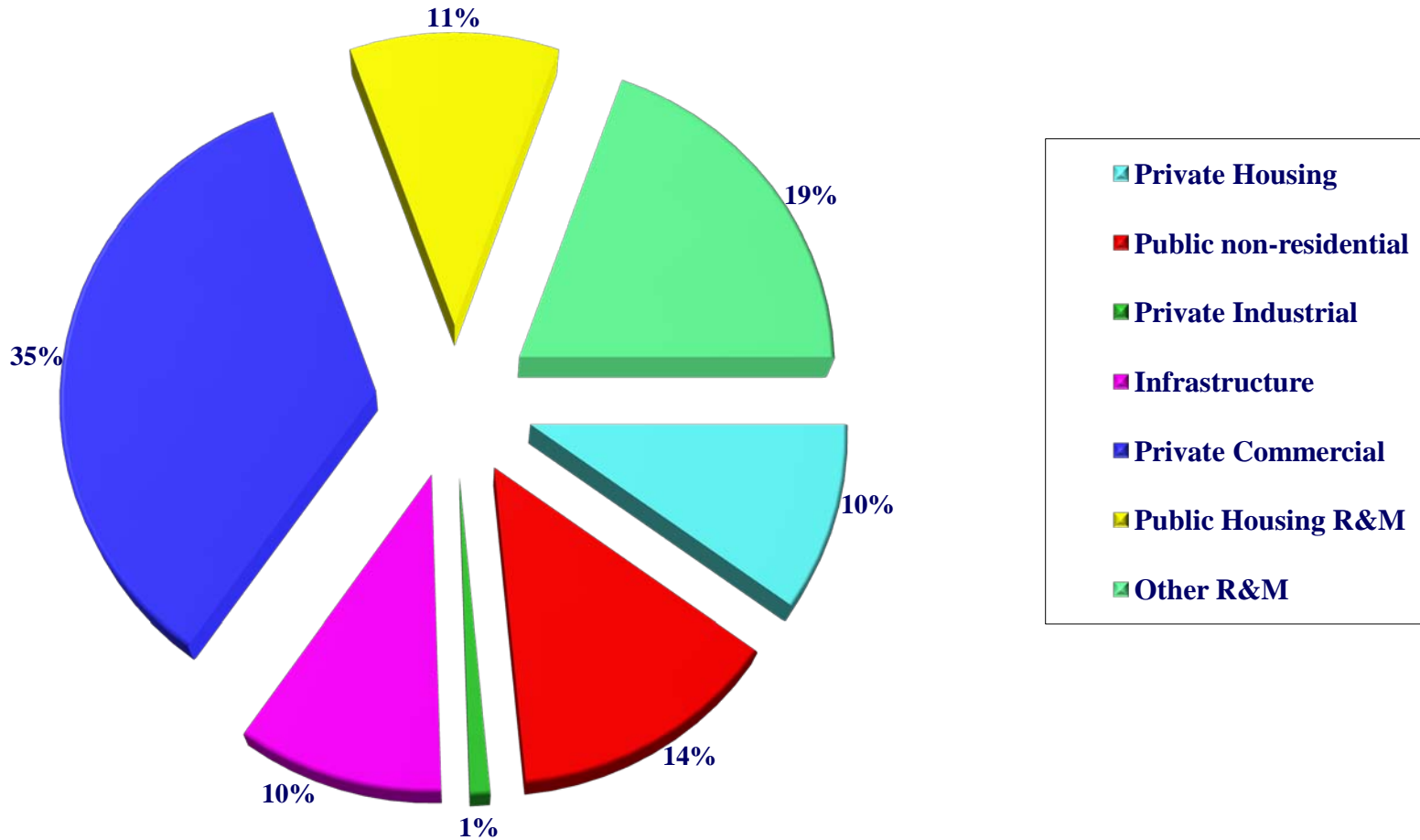


# Appendix I

## Building Products' Revenue Analysis by End Use Segment



Building Products' Divisional Revenue analysed by End Use Segment 2011/12



# Appendix II

## Underlying to Statutory Profit Reconciliation (£m)

---



	<u>2011/12</u>	<u>2010/11</u>
<b>Underlying profit before taxation</b>	<b>1.6</b>	<b>4.3</b>
<b>Brand amortisation</b>	<b>(0.3)</b>	<b>(0.3)</b>
<b>Restructuring &amp; re-financing costs</b>	<b>(0.9)</b>	<b>(0.6)</b>
<b>Impairment charge reversal</b>	<b>-</b>	<b>1.2</b>
<b>Profit on disposal of property</b>	<b>-</b>	<b>0.8</b>
<b>Profit Before Taxation</b>	<b><u>0.4</u></b>	<b><u>5.4</u></b>