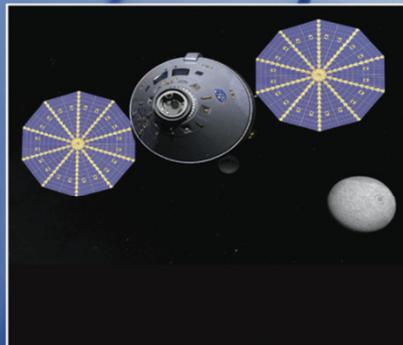
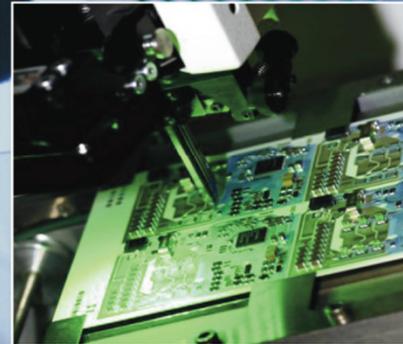


# Accelerating Globalisation

## 2012 Full Year Results



14 March 2013

## Summary

- Improved operating profit margin
- Wholly focused electronics business
- Strengthened global footprint
- Increasing new product development capacity
- Strong cash generation and balance sheet
- Focusing on '*Sensing and Control*'

# Performance



<sup>1</sup> continuing operations

<sup>2</sup> before exceptional items

## Financial Summary

### Key financials

	<b>2012</b>	2011	Change
	<b>£m</b>	£m	
Continuing operations			
Revenue	<b>476.9</b>	509.6	(4.1)% <sup>1</sup>
Operating profit <sup>2</sup>	<b>29.4</b>	28.7	2.4%
Operating profit margin	<b>6.2%</b>	5.6%	60 bps
Profit before tax <sup>2</sup>	<b>26.7</b>	24.5	9.0%
Earnings per share (pence) <sup>2</sup>	<b>12.6p</b>	11.4p	10.5%
Underlying operating cash flow <sup>2</sup>	<b>45.4</b>	61.6	£(16.2)m
Net cash	<b>46.7</b>	15.2	£31.5m
Dividends per share (pence)	<b>5.0p</b>	4.4p	13.6%

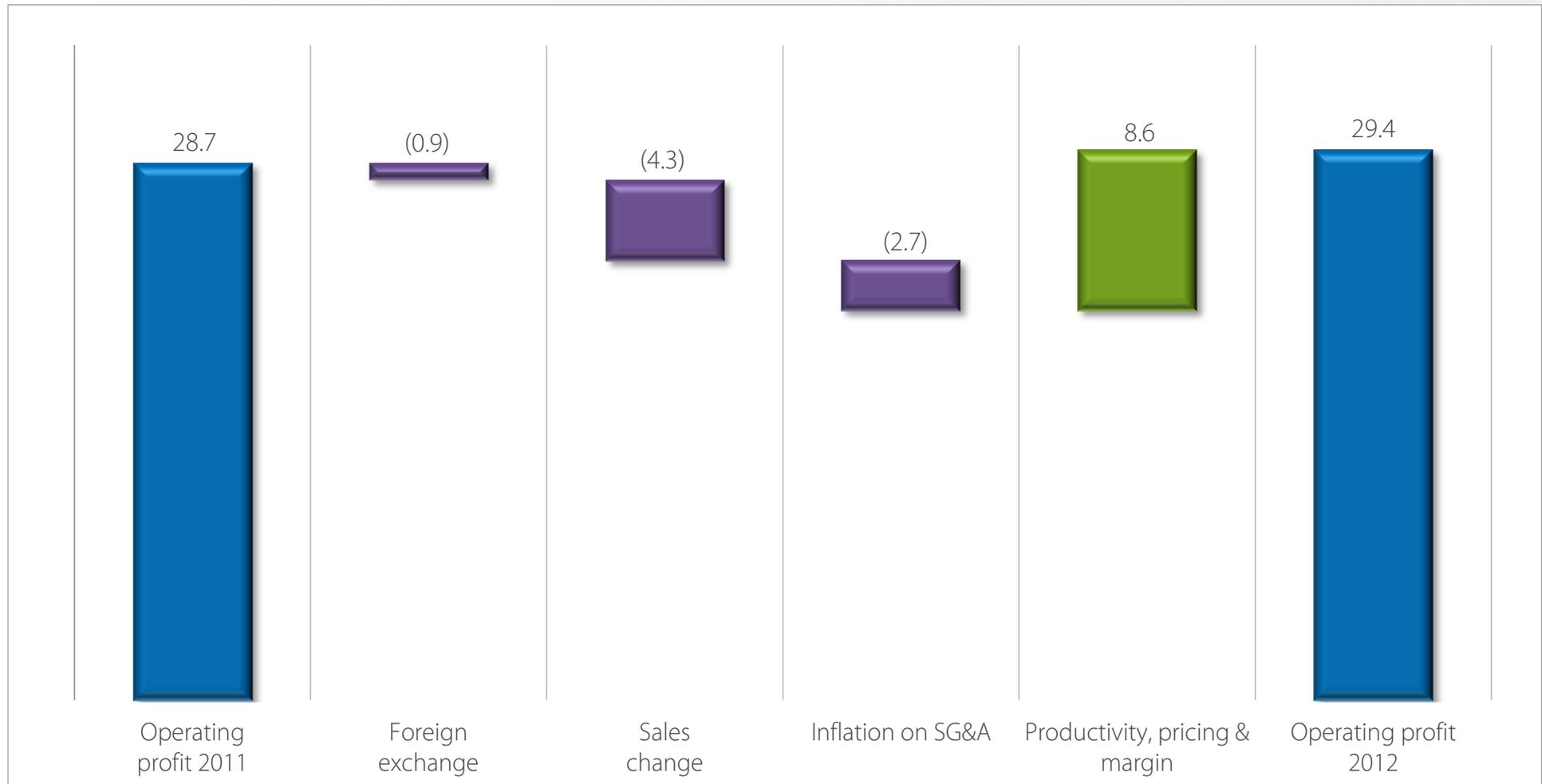
<sup>1</sup> at constant exchange rates

<sup>2</sup> before exceptional items

December 2012: Full Year Results

# Financial Summary

## Operating profit before exceptionals (£m)



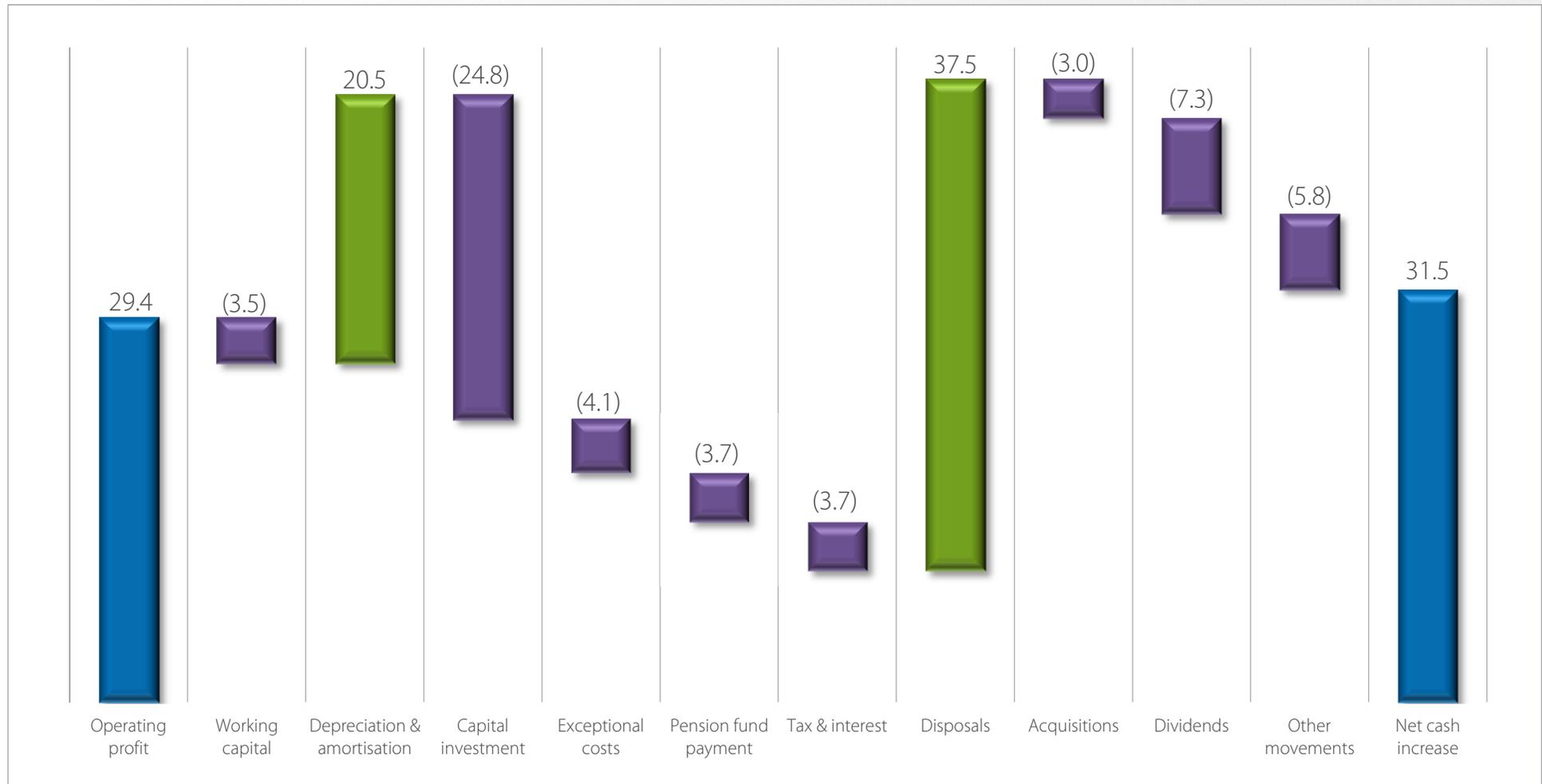
## Financial Summary

### Exceptional items

	<b>2012</b>	2011
	<b>Full Year</b>	Full Year
	<b>£m</b>	£m
Reduction in UK pension liabilities	-	7.5
Restructuring costs	<b>(3.2)</b>	(5.2)
Negative goodwill on business acquisition	<b>0.3</b>	-
Acquisition costs	<b>(0.4)</b>	-
<b>Total</b>	<b>(3.3)</b>	2.3

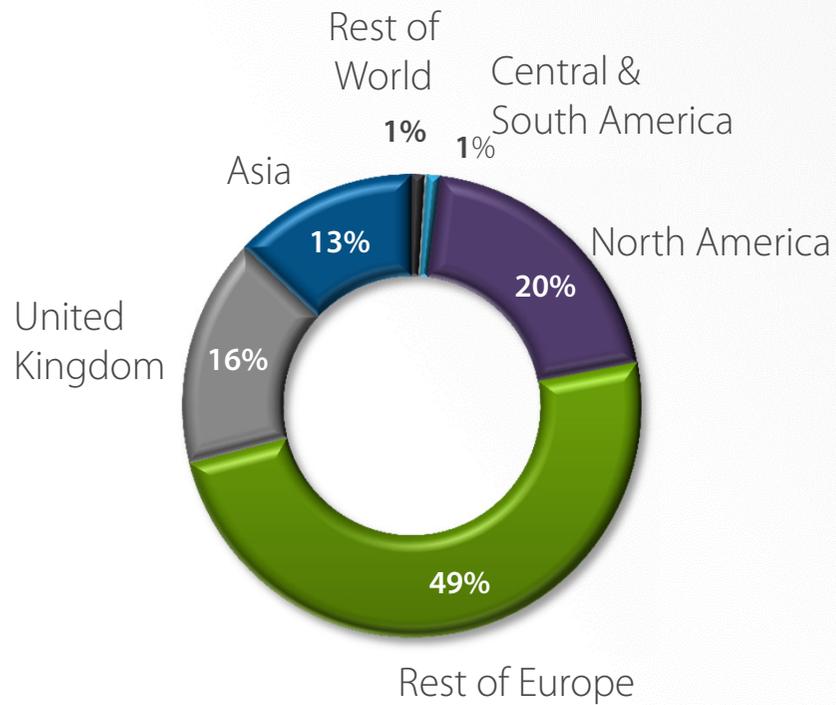
# Financial Summary

## Group cash flow (£m)



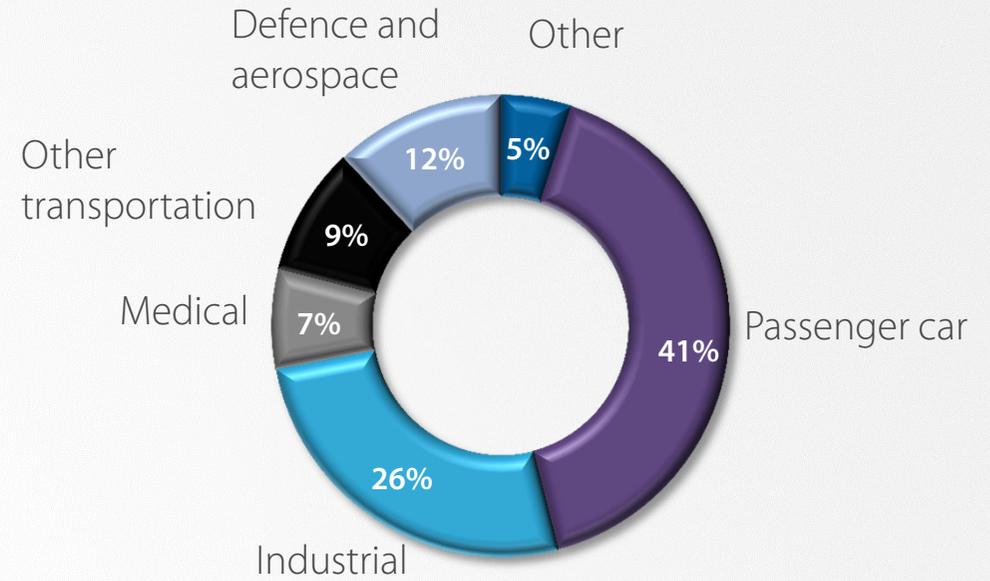
# Balance

## Global Reach



Revenue by geography

## Growth Markets



Revenue by market

## Divisional Review Components

	<b>2012</b>	2011
	<b>£m</b>	£m
Revenue	<b>226.0</b>	242.7
Operating profit	<b>14.8</b>	14.8
Operating profit margin	<b>6.5%</b>	6.1%

- Increased share and added new customers
- New wins included commercial aviation, satellite and transport applications
- Operational improvement and cost control contributed to a 40 bps increase in margin
- Transfer from Boone, North Carolina to Mexicali completed ahead of schedule
- 6 lines transferred to Romania in 2012; more underway

## Divisional Review Sensors

	<b>2012</b>	2011
	<b>£m</b>	£m
Revenue	<b>148.2</b>	166.9
Operating profit	<b>8.4</b>	8.8
Operating profit margin	<b>5.7%</b>	5.3%

- Robust performance from top three OEMs, weaker demand from other auto and truck customers
- 40 bps improvement in margin, whilst investing to support future growth
- Commenced transfer of production lines from Germany to Romania
- Acquired 100% of Indian J.V. and relocated business to a new site
- Opened Indian engineering centre to provide capacity to address new wins and identified opportunities

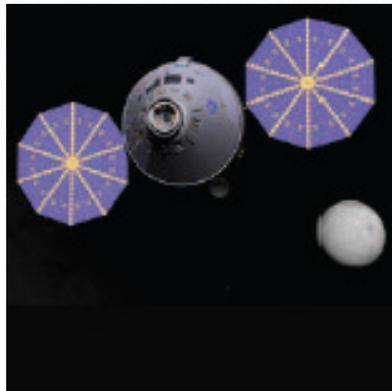
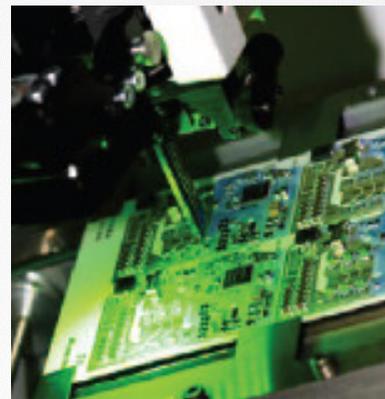
## Divisional Review

### IMS

	<b>2012</b>	2011
	<b>£m</b>	£m
Revenue	<b>102.7</b>	100.0
Operating profit	<b>6.2</b>	5.1
Operating profit margin	<b>6.0%</b>	5.1%

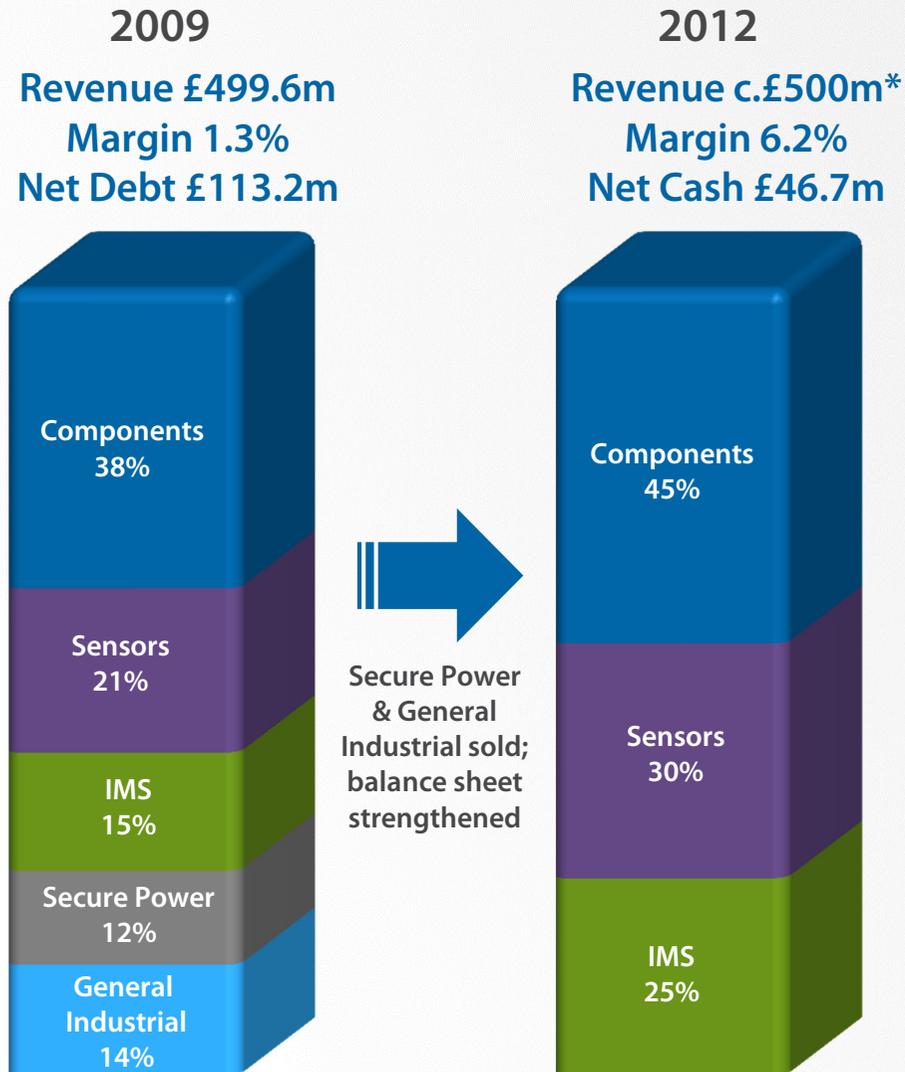
- Good level of new business won in a challenging market
- Target operating profit margin met
- Acquisition of ACW Technology completed, expected to add c.£25m sales in 2013
- First business wins in Chinese commercial aerospace market after receiving Nadcap approval

## Group Progress and Future Direction



**Accelerating globalisation ...**

# Value Creation



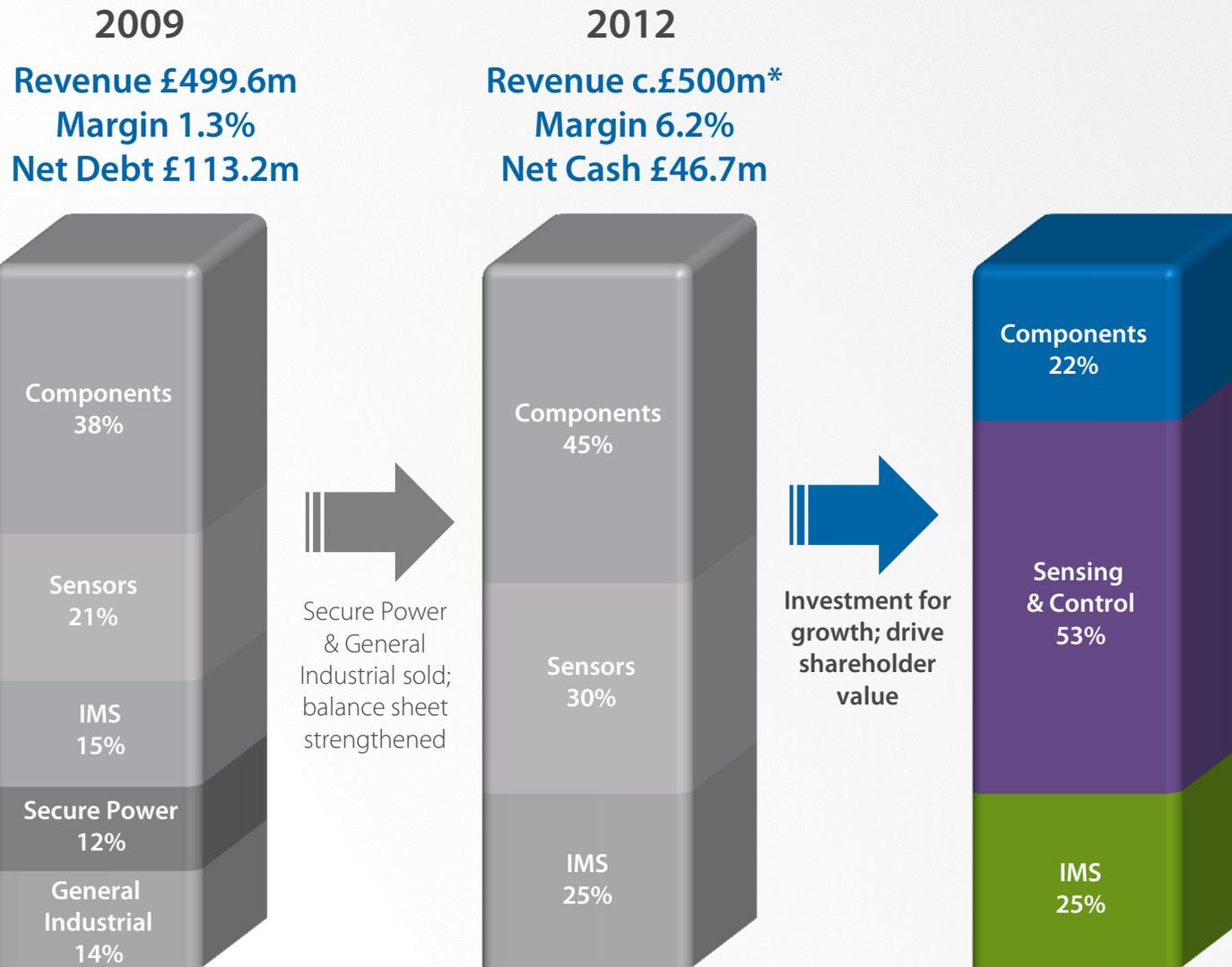
\*Includes ACW pro-forma revenue

# Accelerating Globalisation



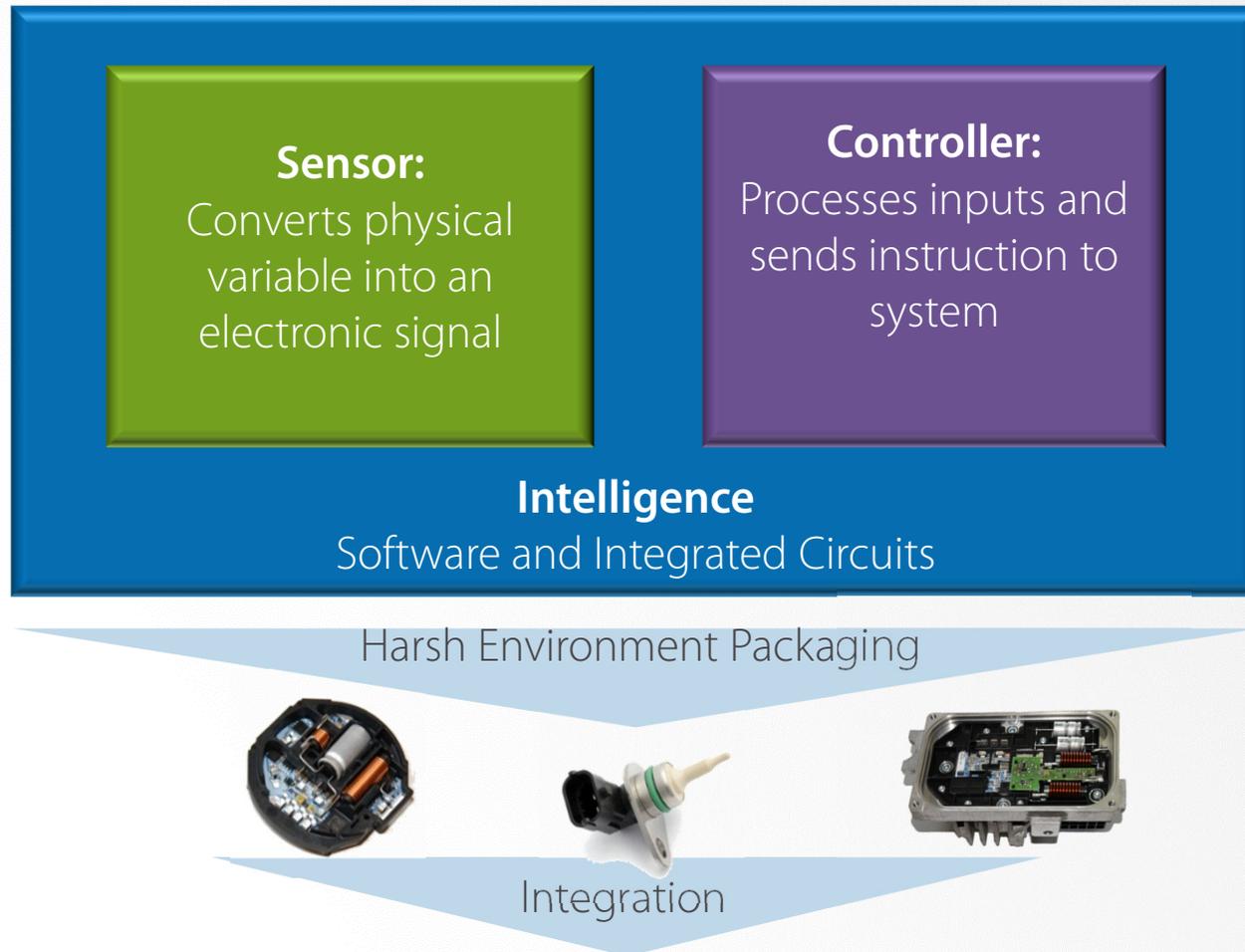
**Focus**                      **Investment**                      **Value**

# Value Creation



\*Includes ACW pro-forma revenue

# 'Sensing and Control'



## "Sensing and Control"

**Small car: 10-20 sensors & control points**  
**Premium car: 100+ sensors & control points**

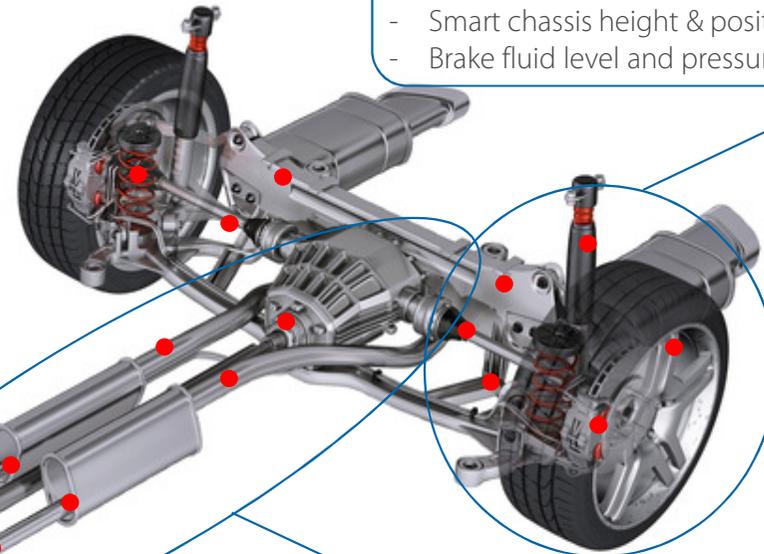
## Steering & Throttle

- 4-6 sensing & control points
- Electronic power steering control
  - Position and torque sensors
  - Intelligent throttle control



## Braking & Suspension

- 6-8 sensing & control points
- ABS speed
  - Smart chassis height & position
  - Brake fluid level and pressure



## Exhaust

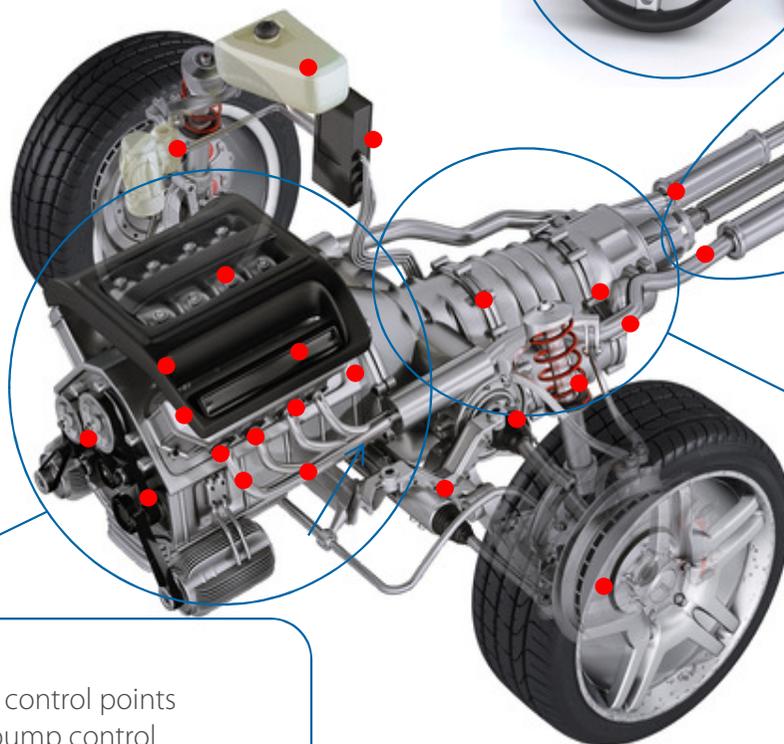
- 8-12 sensing & control points
- Gas temperature & pressure
  - Nox sensing
  - Urea/ad blue level and condition

## Transmission

- 3-5 sensing & control points
- Smart gear detection & control
  - Bearing wear
  - Fluid pressure, level, temperature
  - Transmission control

## Engine

- 8-10 sensing & control points
- Electronic pump control
  - Cam & crank speed and position
  - Temperature
  - Pressure



**Small car: 10-20 sensors & control points**  
**Premium car: 100+ sensors & control points**

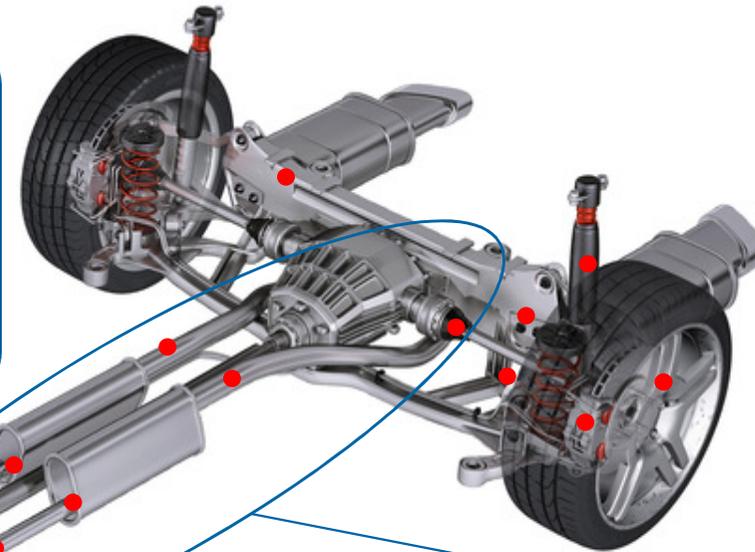
Pump Controller



### Engine performance

Control unit analyses sensor inputs and provides output signals to:

- Improve performance
- Reduce emissions
- Increase reliability
- Increase service intervals
- Improve fuel economy



### Exhaust Gas & Emissions Control

Control unit analyses sensor inputs and provides output signals to:

- Minimise Nox emissions
- Minimise particulate emissions
- Improve engine performance through exhaust gas recirculation



Engine Speed sensor



Pressure sensor

**Modern conveyor systems: 15-35 sensors & control points**

**Air compressors: 10-50 sensors & control points**

**CNC machines: 25-40 sensors & control points**

## Compressor

10-50 Sensors & Control points:

- Air pressure sensors
- Air temperature sensors
- Vane/screw position

## Power Supply

5-10 Sensors & Control points:

- Current sensors
- Power modules
- Temperature sensors

## CNC Machine

25-40 Sensors & Control points:

- Cutter position
- Water/oil/air pressure
- Tool wear module

## Conveyor

15-35 Sensors & Control points:

- Belt speed
- Position/proximity of goods
- Safety control module

## Motors/Speed drives

5-10 Sensors & Control points:

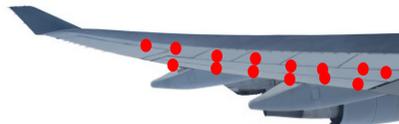
- Current sensors
- Rotor position
- Power modules



**Business Aviation: 50-100 sensors & control points**  
**Commercial Aviation: 150-250 sensors & control points**  
**Military Aviation: 50-85 sensors & control points**

### Flight Controls

- 30-40 Sensors & Control points:
- Flight surface control modules
  - Flap & rudder position sensors
  - External temperature sensors
  - Hydraulic pressure sensors



### Doors\*

- 25-45 Sensors & Control points:
- Actuator control
  - Position sensors
  - Pressure sensors
- \*Cargo bay, landing gear, refuelling, weapons, engine inspection doors



### Engine

- 20-40 Sensors & Control points:
- Engine control modules
  - Engine inlet temperature sensors
  - Engine speed & torque sensors
  - Turbine pressure sensors
  - Compressor discharge temperature
  - Fuel flow sensors

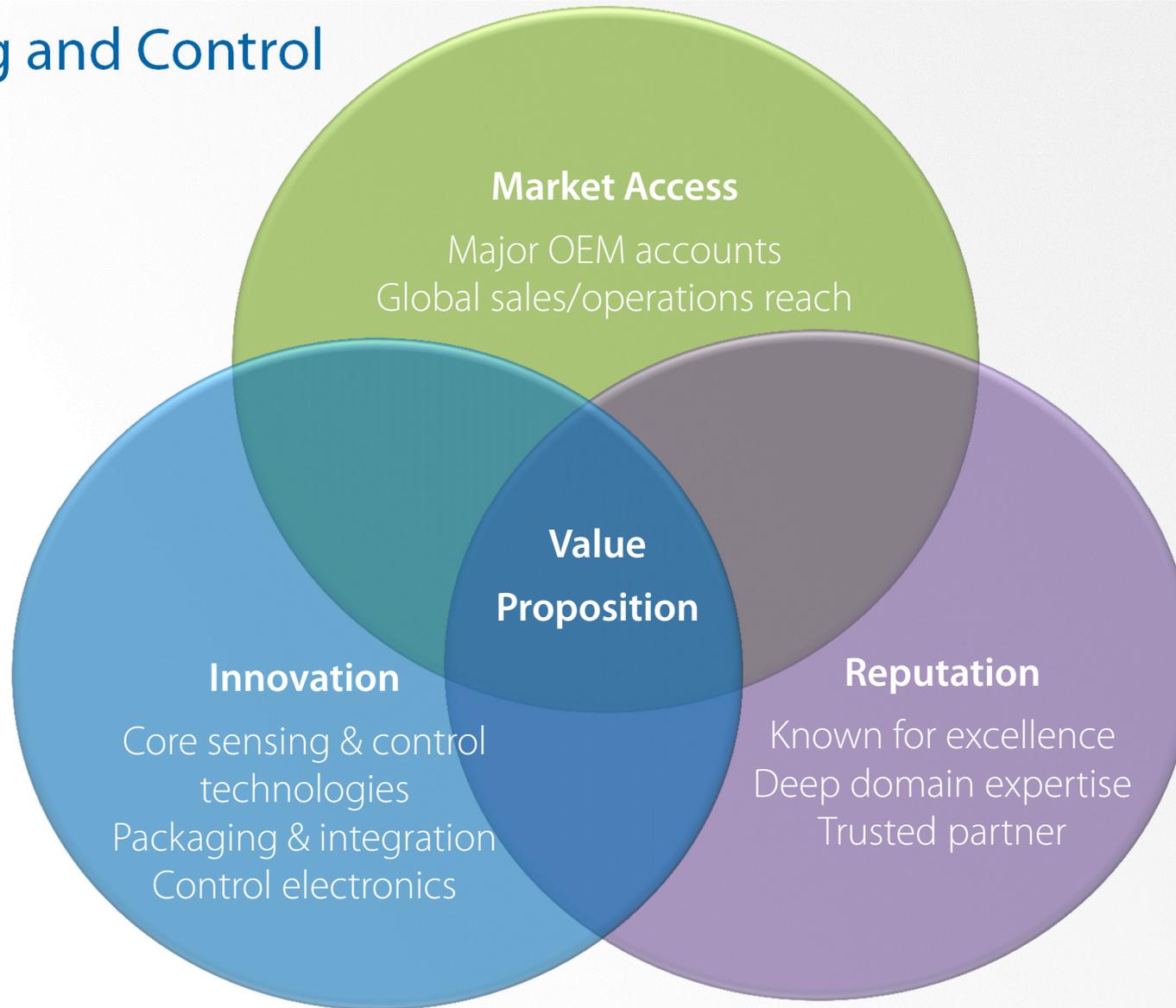


### Landing Gear

- 20-40 Sensors & Control points:
- Position sensors
  - Brake wear
  - Tyre pressure
  - Hydraulic pressure
  - Actuator controls



## Sensing and Control



**Innovative Solutions**

**Global Capabilities**

**Operational Excellence**

## Summary and Outlook

- Resilient 2012 performance
- Enhanced focus with disposals
- Continuing self help actions
- Strengthened operational footprint
- Disciplined approach to acquisitions
- Positioning for future growth and improved margins

**Focusing on Sensing and Control**

# Analyst & Investor Day 25 June 2013 Haberdashers Hall, London



# Appendices

## Income Statement

	<b>2012</b>	2011
	<b>£m</b>	£m
Continuing operations		
Revenue	<b>476.9</b>	509.6
<b>Operating profit<sup>1</sup></b>	<b>29.4</b>	28.7
Net interest payable	<b>(2.2)</b>	(3.2)
Net finance cost on pension schemes	<b>(0.5)</b>	(1.0)
<b>Profit before taxation<sup>1</sup></b>	<b>26.7</b>	24.5
Exceptional items	<b>(3.3)</b>	2.3
Taxation	<b>(6.2)</b>	(5.3)
Profit after taxation	<b>17.2</b>	21.5
<b>Headline earnings per share</b>	<b>12.6p</b>	11.4p
<b>Dividend per share</b>	<b>5.0p</b>	4.4p

<sup>1</sup> before exceptional items

## Impact of FX

Sales	Components	Sensors	IMS	Group
As published	226.0	148.2	102.7	476.9
FX impact (adverse) / favourable	(3.0)	(10.5)	1.7	(11.8)
At 2011 rates	229.0	158.7	101.0	488.7
Operating Profit				
As published	14.8	8.4	6.2	29.4
FX impact (adverse) / favourable	-	(1.1)	0.2	(0.9)
At 2011 rates	14.8	9.5	6.0	30.3

## Taxation – Continuing Operations

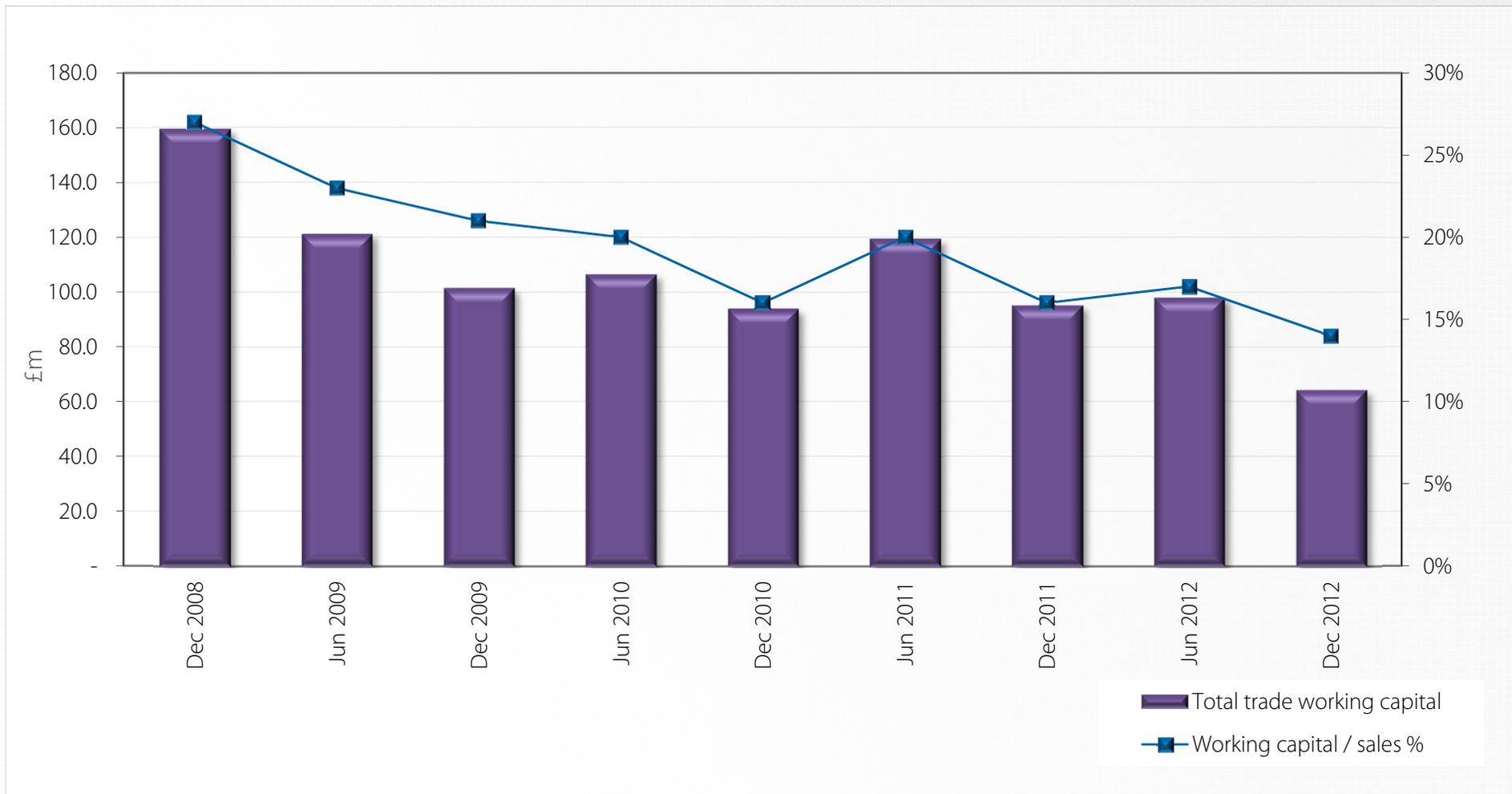
	<b>2012</b>	2011
	<b>£m</b>	£m
<b>Tax charge</b>		
Underlying	<b>7.0</b>	6.9
Exceptional items	<b>(0.8)</b>	(1.6)
	<b>6.2</b>	5.3
<b>Effective tax rate</b>		
Underlying	<b>26.2%</b>	28.2%

- Further progress in reducing effective rate due to proactive tax planning
- Cash tax repayment received in USA of \$4m relating to 2011

## Earnings Per Share

	<b>2012</b>	2011
	<b>£m</b>	£m
Profit before tax and exceptional items	<b>26.7</b>	24.5
Tax	<b>(7.0)</b>	(6.9)
Underlying earnings	<b>19.7</b>	17.6
Average number of shares (million)	<b>156.1</b>	154.9
<b>Headline earnings per share (pence)</b>	<b>12.6p</b>	11.4p
Basic earnings per share (pence)		
Continuing operations	<b>11.0p</b>	13.9p
Total	<b>15.0p</b>	16.1p

# Working Capital



## Banking Facilities

- Re-financing of existing three year £60m club facility completed in August 2012
- New committed revolving credit facility of £70m agreed with 6 relationship banks – HSBC, RBS, Santander UK, Fifth Third Bank, Barclays Bank and Comerica going out 5 years to August 2017
- Terms generally favourable compared to previous facility
- In addition, an incremental accordion facility of £42m agreed with banks on similar terms
- New facility will be used for organic and inorganic expansion

## Pensions

	<b>2012</b>	2011
<b>IAS 19 valuation</b>	<b>£m</b>	£m
Fair value of assets	<b>387.5</b>	378.0
Liabilities	<b>(424.3)</b>	(413.5)
<b>Deficit</b>	<b>(36.8)</b>	(35.5)

- UK defined benefit scheme closed to future accrual in 2010
- Deficit recovery plan in place: contributions of £3.7m in 2012, increasing by £0.2m each year to £4.5m in 2016
- Next triennial valuation due at 5 April 2013
- Change in pensions accounting for 2013 will impact PBT by c£1.5m

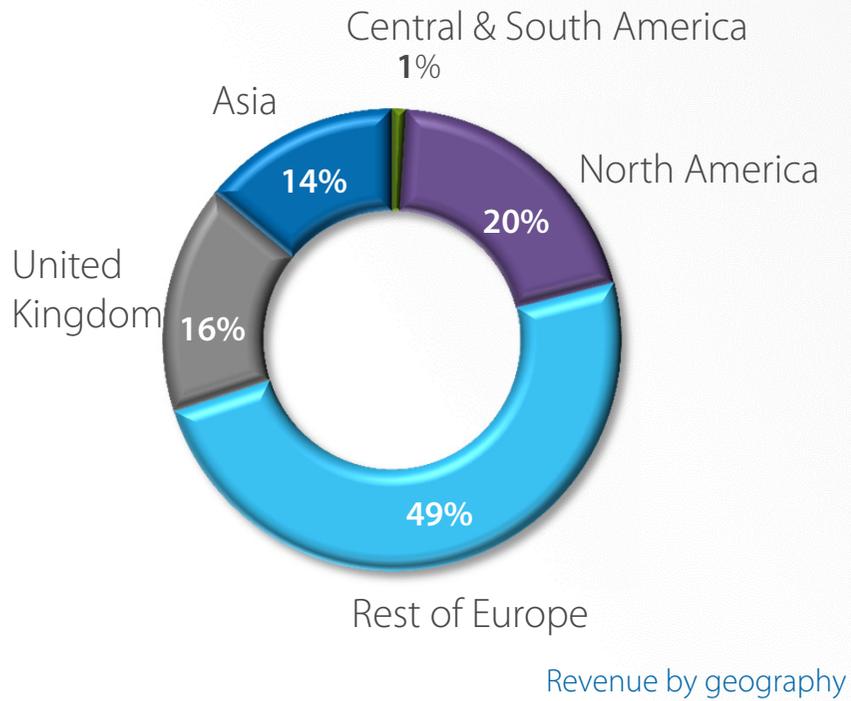
## Discontinued Operations

	<b>2012</b>	2011
	<b>£m</b>	£m
Revenue	<b>68.8</b>	94.1
Operating profit	<b>3.1</b>	5.5
Net finance costs	<b>(0.4)</b>	(0.5)
Exceptional items	<b>(0.6)</b>	-
Profit on disposal	<b>6.8</b>	0.5
Taxation	<b>(2.6)</b>	(2.0)
Profit from discontinued operations	<b>6.3</b>	3.5

- Includes Secure Power division in 2012 and 2011 (disposed of in 2012)
- Also includes AEI Compounds Ltd in 2011 (disposed of in July 2011)

# Balance 2011

## Growth Markets



## Growth Markets

