

IMPACT OF THE ECONOMIC DOWNTURN

RESPONSE TO THE DOWNTURN

From late September 2008 there has been a rapid and significant weakening of the Group's main end-markets, reflecting the severe global economic downturn.

In response, the following management actions have been initiated:

Cost reduction

- Phase I completed Q4 2008 (annualised savings >£17m); 600 headcount reduction, extensive salary freeze, extended plant shutdowns etc.
- Phase II underway in Q1 2009 (annualised savings >£23m); permanent closure of 6 plants and further overhead cuts, >750 headcount reduction
- *Phase III; further plant closures and overhead reductions under evaluation, should markets deteriorate further*

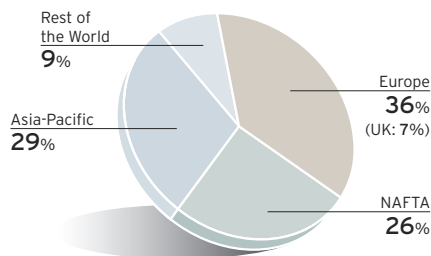
Cash and debt

- Rights issue completed 4 March 2009 - £241m net proceeds
- Focus on reducing working capital in line with reduced activity, including new incentive scheme
- Suspending expansion CAPEX, dividends and UK pension 'top-up' payments - reduces cash outflow by >£85m compared to 2008
- Early repayment of first maturity of bank facility in exchange for a one year delay in tightening of net debt to EBITDA covenant

WELL POSITIONED FOR WHEN THE GLOBAL ECONOMY RECOVERS

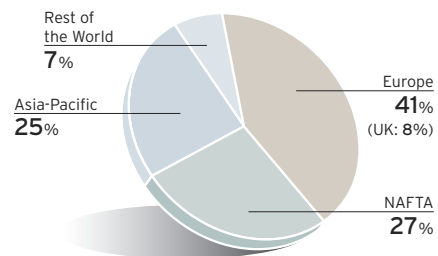
Longer-term we believe the Group is well positioned, with a portfolio of businesses supplying high-technology consumable products with leading positions in markets with sound prospects for growth as the global economy recovers.

2008 Revenue by customer location



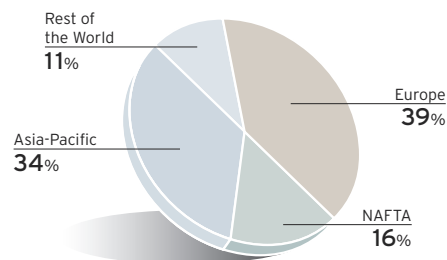
Balanced geographic market presence

2008 Revenue by operating location



Manufacturing in our regional markets

2008 Trading profit by operating location



Most profitable in highest growth markets