
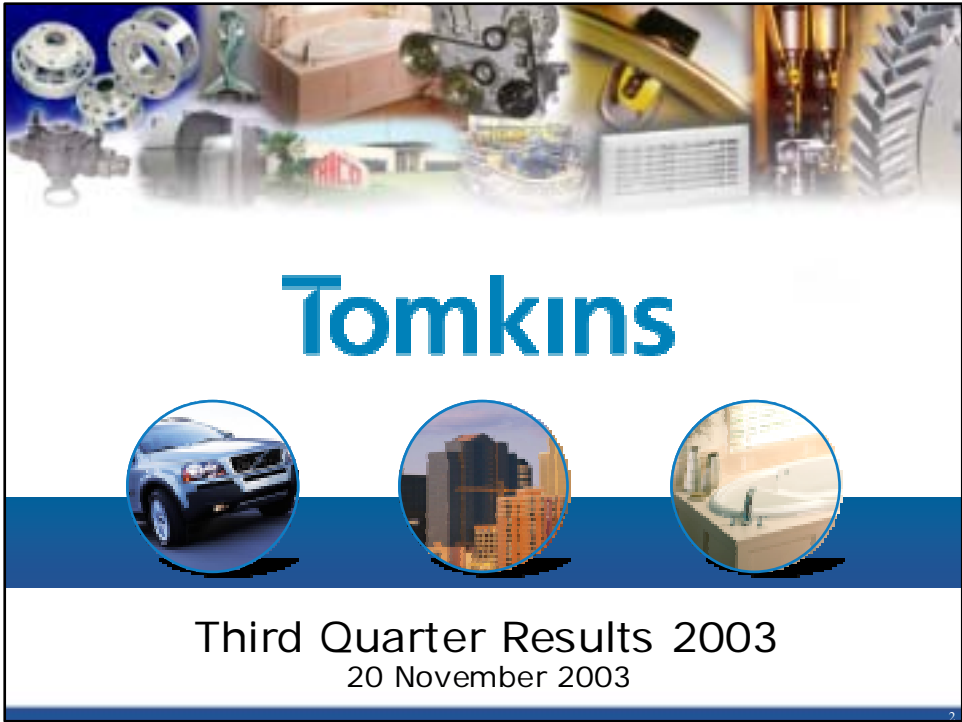




Tomkins

Uniting for growth

Third Quarter Results 2003 20 November 2003



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Third Quarter Results 2003
20 November 2003

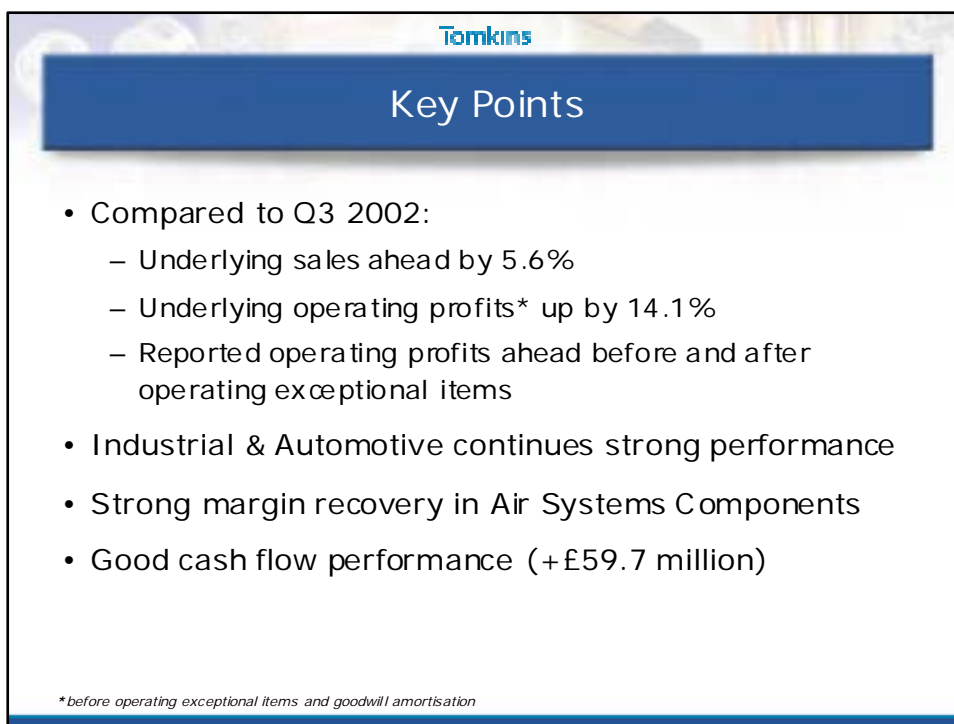


The slide features a collage of images at the top representing various industrial and automotive products. Below this, the word "Tomkins" is written in a large, blue, sans-serif font. Underneath the logo are three circular images: a silver SUV, a modern city skyline, and a white bathtub. At the bottom of the slide, the text "Financial Review" and "Ken Lever" is centered.

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Financial Review
Ken Lever

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The slide has a blue header with the Tomkins logo and the text "Key Points". Below the header is a list of bullet points. At the bottom left, there is a small footnote. A small number "4" is in the bottom right corner.

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Key Points

- Compared to Q3 2002:
 - Underlying sales ahead by 5.6%
 - Underlying operating profits* up by 14.1%
 - Reported operating profits ahead before and after operating exceptional items
- Industrial & Automotive continues strong performance
- Strong margin recovery in Air Systems Components
- Good cash flow performance (+£59.7 million)

*before operating exceptional items and goodwill amortisation

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Summary Statement of Profit & Loss – YTD

£m	September 2003	September 2002
Sales	2,419.3	2,492.8
Operating profit before operating exceptional items*:		
- Business Groups	228.3	241.0
- Centre	(17.9)	(11.9)
	210.4	229.1
Operating exceptional items	(27.5)	(28.3)
Operating Profit	182.9	200.8
Non-operating exceptional items	(13.3)	11.0
Profit before goodwill amortisation	169.6	211.8
Goodwill amortisation	(8.6)	(7.8)
Profit before interest	161.0	204.0
Interest	(4.6)	1.1
Profit before tax	156.4	205.1
Tax at 27% (estimated rate for full year)	(42.2)	(44.4)
Profit after tax	114.2	160.7

*includes associates and before goodwill amortisation

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Operating Profit – Q3

£m	Q3 2003			Q3 2002		
	Before operating exceptional items	Operating exceptional items	After operating exceptional items	Before operating exceptional items	Operating exceptional items	After operating exceptional items
Industrial & Automotive	46.5	(9.6)	36.9	44.7	(5.6)	39.1
Air Systems Components	14.4	(0.6)	13.8	13.7	(4.1)	9.6
Engineered & Construction Products	19.7	(1.4)	18.3	18.9	(1.9)	17.0
Total of business groups	80.6	(11.6)	69.0	77.3	(11.6)	65.7
Centre	(6.2)	-	(6.2)	(7.2)	-	(7.2)
Total before goodwill amortisation	74.4	(11.6)	62.8	70.1	(11.6)	58.5

- All business groups exceed comparable quarter pre OEI
- Overall Group ahead v Q3 2002

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Operating Profit – YTD

£m	September 2003			September 2002		
	Before operating exceptional items	Operating exceptional items	After operating exceptional items	Before operating exceptional items	Operating exceptional items	After operating exceptional items
Industrial & Automotive	144.3	(14.1)	130.2	140.5	(20.7)	119.8
Air Systems Components	31.7	(2.9)	28.8	41.0	(5.7)	35.3
Engineered & Construction Products	52.3	(10.5)	41.8	59.5	(1.9)	57.6
Total of business groups	228.3	(27.5)	200.8	241.0	(28.3)	212.7
Centre	(17.9)	-	(17.9)	(11.9)	-	(11.9)
Total before goodwill amortisation	210.4	(27.5)	182.9	229.1	(28.3)	200.8

- Industrial and Automotive ahead despite currency translation impact
- Air Systems Components making good the Q1 set back
- Engineered and Construction Products recovering

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Non operating exceptional items

£m	September 2003	September 2002
Profits/losses on the disposal of businesses:		
- Book profit	11.9	20.4
- Reinstated goodwill	(29.9)	(9.4)
Exit from non-core businesses	(32.6)	-
Reversal of other provisions	33.1	-
Profit on asset disposals	4.2	-
	(13.3)	11.0

- Net loss on disposal of businesses
- Exit from European Automotive Hose

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Industrial & Automotive

\$m	Sales	Operating profit before operating exceptional items *
September 2002	2,192.9	208.1
Movement in:		
- Power Train	180.7	24.0
- Fluid Power	11.5	(0.7)
- Wiper Systems	36.1	4.8
- Fluid Systems	20.7	0.2
- Other	(19.6)	(3.9)
September 2003	2,422.3	232.5

\$m	Sept 2003	Sept 2002
Sales	2,422.3	2,192.9
Operating profit*:		
- before op. exceptional items	232.5	208.1
- after op. exceptional items	209.8	177.4
Operating margin:		
-before op. exceptional items	9.6%	9.5%
- after op. exceptional items	8.7%	8.1%

Sales increase by 10.5 per cent and operating profit is up by 11.7 per cent

*before goodwill amortisation

- **Steady market conditions**
- **Strong growth in Power Transmission within Power Train**
- **Europe and Asia automotive aftermarket buoyant**
- **North America offsets weaker Europe in Wiper Systems**
- **Continued weakness in Fluid Power**

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Air Systems Components

\$m	Sales	Operating profit before operating exceptional items *
September 2002	573.9	60.7
Movement in:		
- Industrial & Commercial	(17.5)	(2.2)
- Residential	1.0	(0.8)
- Plant Closings	-	(7.6)
- UK and other	1.2	1.0
September 2003	558.6	51.1

\$m	Sept 2003	Sept 2002
Sales	558.6	573.9
Operating profit*:		
- before op. exceptional items	51.1	60.7
- after op. exceptional items	46.4	52.3
Operating margin:		
-before op. exceptional items	9.1%	10.6%
- after op. exceptional items	8.3%	9.1%

*Industrial & Commercial includes ASC and Ruskin brands, Residential is Hart & Cooley brands and Industrial fans and blowers are Lau brands

Strong performance with double digit margin in Q3

*before goodwill amortisation

- **Industrial & Commercial gains market share in difficult markets**
- **Residential has good quarter**
- **Plant closings behind us**

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Engineered & Construction Products

\$m	Sales	Operating profit before operating exceptional items *
September 2002	923.0	88.1
Movement in:		
- Bathware	(4.2)	(1.2)
- Fittings	(0.7)	(4.8)
- Wheels & Axles	1.5	3.1
- Doors & Windows	3.8	(0.6)
- Material Handling	10.8	7.4
- Valves & Taps	8.9	(1.4)
- Disposals & Other	(25.5)	(6.3)
September 2003	917.6	84.3

Showing recovery of earlier quarters' shortfalls

*before goodwill amortisation

\$m	Sept 2003	Sept 2002
Sales	917.6	923.0
Operating profit*:		
- before op. exceptional items	84.3	88.1
- after op. exceptional items	67.4	85.3
Operating margin:		
-before op. exceptional items	9.2%	9.5%
- after op. exceptional items	7.3%	9.2%

- Bathware recovering
- Fittings weakness continues
- Wheels and Axles outperforms
- Doors and Windows holding up
- Material Handling improves
- Valves and taps disappoints

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Sales and Operating Profit Bridge

£m	Sales	Operating Profit*
September 2002	2,492.8	200.8
<i>Movements:</i>		
- Currency impact	(141.1)	(17.8)
- Acquisitions & disposals	(12.6)	(4.1)
- Operating exceptional items	-	(1.0)
-Business Groups underlying change		
- Industrial & Automotive	85.3	15.7
- Air Systems Components	(10.8)	(6.1)
- Engineered & Construction Products	5.7	1.4
- Centre**	-	(6.0)
September 2003	2,419.3	182.9

- Underlying net increase in sales and operating profits in Business Groups
- £/\$ exchange rate reduces operating profit by 8.9%

*before goodwill amortisation

** Centre costs benefit in 2002 from provision release of £5.5 million

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Cash Flow – Group YTD

	September 2003
Operating profit before operating exceptional items and goodwill amortisation	210.4
Depreciation and amortisation before operating exceptional items	94.1
EBITDA	304.5
Cash effect of exceptional items (including working capital):	
- Strategic manufacturing initiatives	(19.9)
- Exceptional items – asset proceeds	10.9
Capital expenditure:	
- Strategic manufacturing initiatives	(18.8)
- Business operations (Gross £82.9m; disposals £10.8)	(72.1)
Working capital, excluding the effect of operating exceptional items	(43.6)
Other operating cash flows	(0.5)
Cashflow from operations after exceptional items	160.5
Tax, interest and dividends	(100.8)
Cash flow after tax, interest and dividends	59.7
Redemption of preference shares	(384.5)
Acquisitions and disposals	(109.1)
Currency and other	8.2
Movement in net funds	(425.7)

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Cash Flow – Business Groups

£m	September 2003
Cash flow from operations before exceptional items:	
- Industrial & Automotive	102.8
- Air Systems Components	33.8
- Engineered & Construction Products	53.1
	189.7
Exceptional items:	
- Industrial & Automotive	(6.9)
- Air Systems Components	(5.0)
- Engineered & Construction Products	2.9
	(9.0)
Cash flow from operations after exceptional items:	
- Industrial & Automotive	95.9
- Air Systems Components	28.8
- Engineered & Construction Products	56.0
	180.7
- Centre	(20.2)
Cash flow from operations after exceptional items	160.5

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Results under US GAAP – Summary Profit & Loss Account

\$m	September 2003	September 2002
Sales	3,623.2	3,370.3
Operating income from continuing operations		
- Business Groups	304.8	329.8
- Centre	(36.7)	(22.9)
Income from continuing operations before goodwill amortisation	268.1	306.9
Goodwill amortisation	-	(17.7)
Income from continuing operations	268.1	289.2
Interest	(5.4)	4.9
Other income/(expense)	20.3	(5.3)
Income from continuing operations before taxes	283.0	288.8
Income taxes	(65.2)	(56.2)
Income from continuing operations after taxes	217.8	232.6

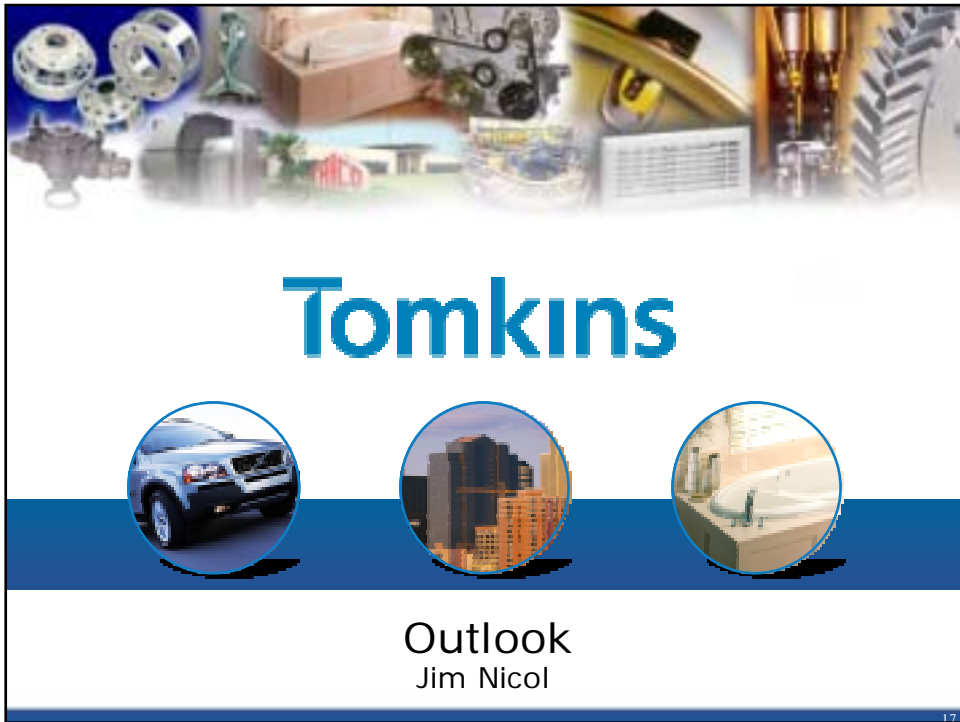
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Results under US GAAP – Segmental Analysis

\$m	YTDQ3 '03		YTDQ3 '02	
	Sales	Operating Income	Sales	Operating Income
Industrial & Automotive	2,371.0	172.9	2,111.1	185.4
Air Systems Components	558.5	47.1	573.9	53.3
Engineered & Construction Products	693.7	84.8	685.3	91.1
Total of business groups	3,623.2	304.8	3,370.3	329.8
Centre	-	(36.7)	-	(22.9)
Total before goodwill amortisation	3,623.2	268.1	3,370.3	306.9
Goodwill amortisation*	-	-	-	(17.7)
Total	3,623.2	268.1	3,370.3	289.2

* Tomkins adopted SFAS 142 "Goodwill and Other Intangible Assets" with effect from 1 May 2002. Goodwill is no longer amortised but is subject to an annual impairment test each December.

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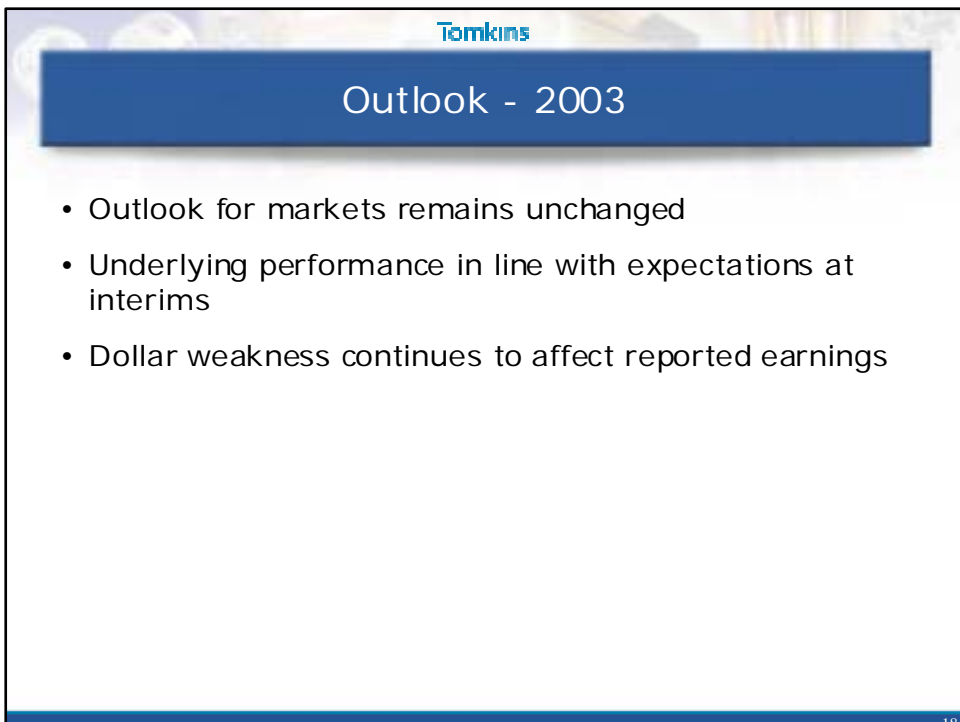


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Outlook
Jim Nicol

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The slide has a light blue background with a faint image of mechanical parts. At the top center, the word "Tomkins" is written in a small, blue, sans-serif font. Below this, a dark blue horizontal bar contains the text "Outlook - 2003" in a white, sans-serif font. Underneath the bar, there is a bulleted list of three items. A small number "18" is visible in the bottom right corner.







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Outlook - 2003

- Outlook for markets remains unchanged
- Underlying performance in line with expectations at interims
- Dollar weakness continues to affect reported earnings

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Market Outlook Snapshot


Market	Today	Outlook
Automotive OE		Stable to growth
Automotive Aftermarket		Stable to growth
Industrial OE		Positive forecast
Industrial Aftermarket		Positive forecast
Residential Construction		Stable
Industrial & Commercial Construction		Recovery

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Outlook – 2004 and beyond

- Costs savings from:
 - Strategic manufacturing initiatives
 - Lean manufacturing
- Disposal of underperforming and non-core businesses
- Product and process innovation
- New management incentive scheme
- Value creating acquisitions

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Third Quarter Results 2003
20 November 2003

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