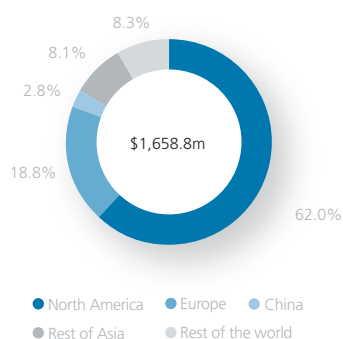


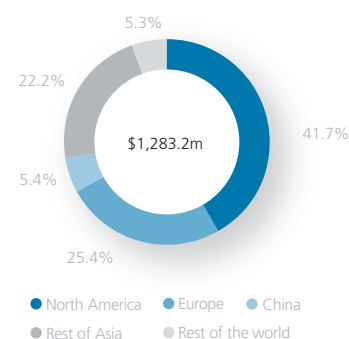
Industrial & Automotive

The Industrial & Automotive business group manufactures a wide range of systems and components for the industrial and automotive markets through four operating segments: Power Transmission, Fluid Power, Fluid Systems and Other Industrial & Automotive. The business group manufactures a range of belts, fluid transfer products, hydraulic hoses, couplings, pressure monitoring products, valves and axles. I&A has corporate offices in the US and Canada. It supplies a wide variety of industries, including the industrial and automotive OE and replacement markets, transportation, energy and natural resources and agricultural markets. Products are sold through a range of distribution channels: direct to customers (principally for the OE market) and through distributor channels (principally for the aftermarket business). The primary raw materials used by I&A are aluminium, steel and rubber materials, which are principally sourced locally. I&A spends approximately \$1,600 million each year on raw materials.

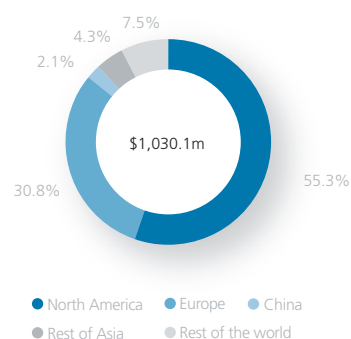
Industrial sales by destination 2008



Automotive OE sales by destination 2008



Automotive aftermarket sales by destination 2008



Power Transmission

Power Transmission provides solutions for the transfer of energy. Products range from highly-engineered belts (accessory drive and synchronous timing belts) and accessories (pulleys and tensioners) to energy-saving oil pumps and carrier systems. Power Transmission is a globally integrated business, sharing technology, research and development and resources across the world. It is managed through local offices in North and South America, Europe and Asia.

Gates is the world's largest manufacturer of power transmission belts for problem-solving applications, with manufacturing and research facilities in 20 countries. Its products are sold direct to industrial and automotive OEMs and through a global network of dealers.

Gates Mectrol manufactures polyurethane timing belts and motion control components for the industrial market, operating manufacturing and sales facilities in the US, Germany and Mexico.

Stackpole is a Canadian-based manufacturer of powertrain components, systems and assemblies primarily for use in automotive engines and transmissions. The business has manufacturing facilities in Canada and the UK.

Fluid Power

Fluid Power provides fluid transfer and hydraulic solutions, predominantly to the industrial OE and replacement markets. In addition to its manufacturing and distribution capabilities, Fluid Power provides on-site servicing and maintenance solutions, mainly to the oil and gas industry through Gates Fleximak (acquired in 2006), A.E. Hydraulic (acquired in 2008) and Gates Productivity & Reliability Services (established in 2008). Fluid Power serves customers across North and South America, Europe and Asia.

Fluid Systems

Fluid Systems provides fluid and gas monitoring and control solutions. Products are sold primarily into the automotive OE and aftermarket for repairs and accessories. Schrader Electronics is the technology leader in RTPMS, and is currently working with other Group companies to develop further applications of its sensing capabilities. In June 2008, Stant and Standard-Thomson, part of the Fluid Systems segment, were sold as part of the Group's plan to dispose of non-core businesses.

Other I&A

Other I&A includes: Dexter Axle, which produces axles and chassis for the utility trailer, recreational vehicle and highway trailer markets; Ideal, a manufacturer of speciality hose clamps; Plews, a manufacturer and distributor of lubrication, air hose and other aftermarket accessories; and Gates Winhere, a manufacturer of pumps primarily for the automotive market. Dexter Axle and the Dexter Chassis group manufacture and market their products primarily in the US directly to OEMs and through distributors. Ideal and Plews sell products primarily into the aftermarket under a variety of brands. Ideal designs and manufactures clamps principally for markets in the US, Mexico and China. Plews is a designer, manufacturer and distributor of a broad range of automotive parts and tools, sold principally in the US. Dearborn Mid-West, a manufacturer of conveyor systems for the automotive, industrial and utilities industries that was part of the Other I&A segment, was sold in November 2007.

Financial highlights:	Key products:	Key brands:
Power Transmission		
Sales:	\$2,106.4m	Belts, pulleys, tensioners and idlers, powder metal components, electro-mechanical drive systems, power transmission and pump components, engine and transmission oil pumps
Operating margin:	10.9%	
% of Group sales:	38.2%	
Fluid Power		
Sales:	\$832.3m	Hydraulics, hoses, belts, coupling systems
Operating margin:	5.6%	
% of Group sales:	15.1%	
Fluid Systems		
Sales:	\$501.2m	RTPMS, wheel and tyre valves, inflating gauges
Operating margin:	8.0%	
% of Group sales:	9.1%	
Other I&A		
Sales:	\$620.9m	Axles and wheels, trailer chassis and components, fabricated metal parts, clamps, water and oil pumps
Operating margin:	7.1%	
% of Group sales:	11.2%	

Key markets served:

- Industrial machinery and equipment
- Processing industries
- Earthmoving equipment
- Agricultural equipment
- Mining
- Oil and gas
- Leisure equipment
- Consumer equipment
- Automotive OE
- Automotive aftermarket

Key market drivers:

- Industrial activity
- Commodity prices
- Industrial capital expenditure
- Agricultural activity
- Industrial construction
- Automotive production
- Number of cars in use
- Average age of cars in use
- Car usage (measured by miles driven)
- Oil and fuel prices

Industrial

Top five customers

(% of Group sales)

– Motion Industries	2.0%
– John Deere	1.0%
– Redneck Trailer Supplies	0.9%
– Jayco	0.7%
– JCB	0.6%

Automotive

Top five customers

(% of Group sales)

– General Motors	6.1%
– NAPA	3.1%
– Ford	2.0%
– Hyundai	1.6%
– Chrysler	1.6%



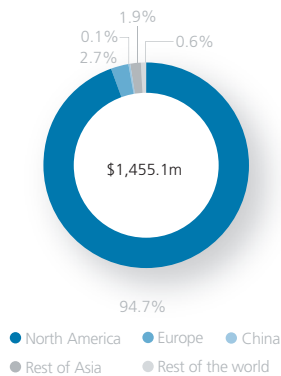
GATES ENGINEERING & SERVICES

Gates E&S distributes and services hose and hydraulic systems in the industrial and oil and gas sectors. It achieved double-digit growth and opened four new service centres in 2008. Gates Productivity & Reliability Services, a division of Gates E&S, provides on-site services to the oil and gas sector. The acquisition of a distributor in Singapore, A.E. Hydraulic, provides geographic expansion of the Gates E&S business.

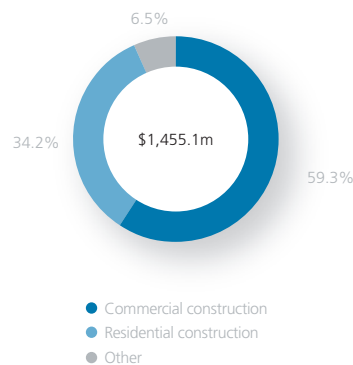
Building Products

The Building Products business group manufactures a wide range of air diffusion products and systems, bathware (baths, shower cubicles and luxury whirlpools), and uPVC doors and windows for the residential construction, commercial construction, manufactured housing and recreational vehicle industries. Its range of products places the business group as one of the largest manufacturers of air distribution products in the US. Building Products sells its products through a range of distribution channels, principally to suppliers to the construction industry, building contractors and retailers for both the new build and refurbishment sectors. Building Products sells principally in the US, but also in Canada, Mexico, India, Thailand, China and Europe. In 2008, the business group expanded its range of indoor air quality products through the acquisition of Trion, adding manufacturing and distribution capabilities in the US and China, and expanded its product offering in India through the acquisition of Rolastar, a manufacturer, distributor and installer of off-site ducting. Further geographic expansion was achieved through the signing of a joint venture to manufacture and distribute air systems components products in the Middle East. The primary raw materials used by Building Products are steel, aluminium and vinyl. Building Products spends approximately \$600 million each year on raw materials.

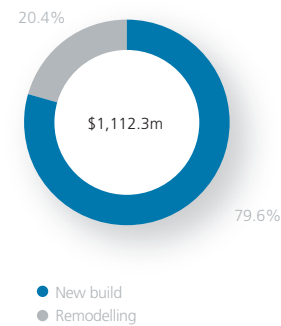
Sales by destination 2008



Sales by end market 2008



Construction sales by end market 2008



Air Systems Components

The Air Systems Components operating segment provides air distribution solutions for the HVAC industry. Products include ducting, louvres, grilles, registers, diffusers, dampers, smoke vents and chimney products. Products are sold primarily in the US, Canada, Mexico, India, Thailand, China and Europe. The majority of this segment's sales pass through manufacturers' representatives or are sold through wholesalers. The balance of sales are made direct to OEMs, national accounts and retail customers.

Air Systems Components designs and manufactures a range of air system products for industrial, institutional and commercial applications. Hart & Cooley and Selkirk supply the residential and light commercial markets in the US, Canada and Mexico, marketing their products primarily through wholesale distributors and retail customers. Ruskin produces and markets commercial and industrial air system components while Ruskin Air Management, a UK business, markets its products principally in the UK and continental Europe.

Other Building Products

Other Building Products comprises Lasco Bathware, a leading manufacturer of bath tubs and shower enclosures and pans in the US, and Philips Products, a manufacturer of doors, windows and ventilation products. Lasco Bathware manufactures around one quarter of all baths in the US as well as an extensive range of luxury whirlpools. It operates from facilities across the US with national distribution to home centres and wholesalers. Products are also sold direct to builders who use the company installation services. Aquatic Industries, a division of Lasco Bathware, produces up-market acrylic whirlpools, principally for the dealer/distributor market in the US and also supplies standard and customised products for hotel and resort developments internationally.

Financial highlights:

Air Systems Components

Sales:	\$1,112.3m
Operating margin:	9.4%
% of Group sales:	20.2%

Key products:

Grilles, registers, diffusers, dampers, venting and ducts, fans, louvres and screens

Key brands:

PennBarry
Actionair
Titus
Rooftop Systems
Ruskin
Reliable
Tuttle & Bailey
Krueger
Lau
Milcor
AMPCO
Selkirk

Other Building Products

Sales:	\$342.8m
Operating margin:	(7.0)%
% of Group sales:	6.2%

Baths, showers, whirlpools, aluminium and vinyl windows and doors

Lasco Bathware
Aquatic
Philips
Trion

Key markets served:

- Residential construction
- Commercial construction
- Recreational vehicles
- Manufactured housing
- Remodelling and repair

Key market drivers:

- Housing starts
- Square feet of construction
- Construction value
- Recreational vehicle production
- Manufactured housing shipments
- Architectural billings

Air Systems Components

Top five customers

(% of Group sales)

– York International	0.5%
– Tom Barrow	0.5%
– Watsco	0.5%
– Carrier Group	0.5%
– Norman S Wright	0.5%

Other Building Products

Top five customers

(% of Group sales)

– Home Depot	0.9%
– Ferguson Enterprises	0.6%
– Thor Industries	0.2%
– Fleetwood Enterprises	0.2%
– Dapsco	0.2%



RUSKIN – ‘Green’ initiatives in Building Products

In 2008, Ruskin introduced its energy recovery ventilator, which achieves energy savings through recycling conditioned air.