

# GROUP AT A GLANCE

## AEROSPACE – 56% OF GROUP REVENUE

ENGINE STRUCTURES AND MOUNTINGS, METALLIC HIGH-PRESSURE DUCTING, AIRFRAME AND OTHER STRUCTURAL PARTS, COMPOSITE LOW-PRESSURE DUCTING, AND HELICOPTER MACHINED PARTS.

For many years, Senior Aerospace has provided engineered solutions for the rigorous challenges of bleed air duct systems, precision sheet metal fabrications, bellows, metal hose assemblies, and other pressure carrying components that are flying in virtually all military and commercial aircraft and numerous piston and jet engines.

The Senior Aerospace operations are located in the USA and Europe and produce precision machined components and mechanical assemblies for airframe and engine applications in civil and military rotary and fixed wing aircraft. The products manufactured include metallic and composite pneumatic ducting, bellows-sealed flexible joints, sheet metal components, hydraulic tubing components and assemblies.

More recently the Division has added, through acquisition, the capabilities of machining airframe structural parts and precision components for rotary applications.

### AEROSPACE DIVISION:

- |                           |                     |
|---------------------------|---------------------|
| 1. AMT                    | 9. Sterling Machine |
| 2. Absolute Manufacturing | 10. Metal Bellows   |
| 3. SSP                    | 11. Bird Bellows    |
| 4. Capo Industries        | 12. BWT             |
| 5. Ketema                 | 13. Calorstat       |
| 6. Jet Products           | 14. Ermeto          |
| 7. Ketema (Saltillo)      | 15. Bosman          |
| 8. Composites             |                     |

### 2008 HIGHLIGHTS

Healthy markets, improved operational efficiencies, acquisitions, new programme wins and currency benefits resulted in a 27% increase in the Aerospace Division's sales to £312.9m (2007 – £246.2m) and an increase in adjusted operating profit of 33% to £44.3m (2007 – £33.4m).

Divisional operating margin increased for the fifth consecutive year to 14.1% (2007 – 13.6%).

Combined order book of Boeing and Airbus represents eight times current deliveries.

Military and defence sectors (23% of divisional sales) are anticipated to remain strong throughout 2009.

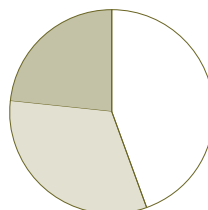
## SENIOR IS AN INTERNATIONAL GROUP WITH OPERATIONS

SENIOR DESIGNS, MANUFACTURES AND MARKETS HIGH FOR THE PRINCIPAL ORIGINAL EQUIPMENT PRODUCERS LAND VEHICLE AND ENERGY MARKETS.

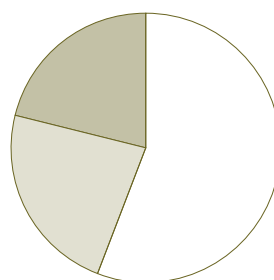


### SENIOR: 2003–2008 – DELIVERIES

2003 Sales\*



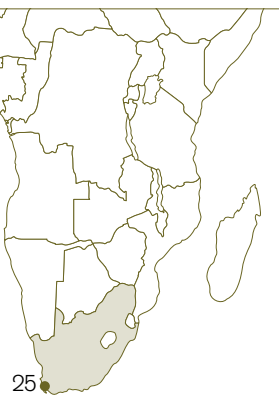
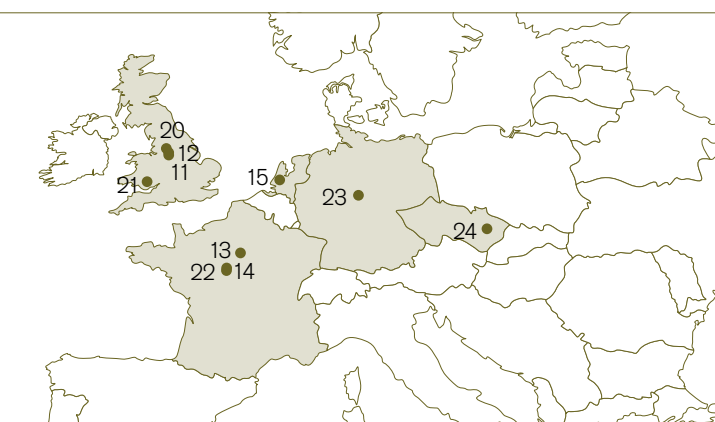
2008 Sales\*



- |     |                       |     |                       |
|-----|-----------------------|-----|-----------------------|
| 45% | Aerospace and defence | 56% | Aerospace and defence |
| 32% | Land vehicles         | 23% | Land vehicles         |
| 23% | Industrial            | 21% | Industrial            |

## AL MANUFACTURING S IN 11 COUNTRIES.

TECHNOLOGY COMPONENTS AND SYSTEMS  
IN THE WORLDWIDE AEROSPACE, DEFENCE,



## FLEXONICS – 44% OF GROUP REVENUE

FLEXIBLE EXHAUST CONNECTORS, COOLING AND  
EMISSION CONTROL COMPONENTS AND DIESEL FUEL  
DISTRIBUTION PIPEWORK. METALLIC AND FABRIC  
EXPANSION JOINTS, FLEXIBLE METALLIC HOSES, AND  
VENTILATION DUCTING FOR INDUSTRIAL APPLICATIONS.

Senior is a leading supplier of expansion joints, control bellows and hoses to the worldwide petrochemical, power generation and chemical processing industries. Increasingly, its products are being used in renewable energy sources such as solar and nuclear.

Senior's diesel technologies support a growing number of major North American and European automotive and heavy truck manufacturers in meeting stringent emissions standards.

Flexible exhaust connectors, cooling and emission control components and diesel fuel distribution pipework. Metallic and fabric expansion joints, flexible metallic hoses, and ventilation ducting for industrial applications.

### FLEXONICS DIVISION:

- |                |               |
|----------------|---------------|
| 16. Canada     | 24. Olomouc   |
| 17. Bartlett   | 25. Cape Town |
| 18. Pathway    | 26. New Delhi |
| 19. São Paulo  |               |
| 20. Hargreaves |               |
| 21. Crumlin    |               |
| 22. Blois      |               |
| 23. Kassel     |               |

### ERING PROFITABLE GROWTH

Group Sales have grown by a compound annual growth rate ("CAGR") of 12% over the last five years.

Implementation of strategy to increase exposure to aerospace and selected industrial markets resulting in significant change in composition of the Group, through acquisition and organic growth.

Adjusted EPS growth of 29% CAGR since 2003.

Adjusted operating margins have more than doubled over the last five years from 5.4% to 11.5%.

Return on capital employed increased from 11.2% (2003) to 21.7% (2008).

### 2008 HIGHLIGHTS

Strong industrial markets, a significant operational improvement in the production of heavy duty diesel products in North America and currency benefits, resulted in sales for the Flexonics Division increasing by 11% to £250.1m (2007 – £225.0m) and adjusted operating profit improving by 49% to £25.9m (2007 – £17.4m).

The Division's operating margin was 10.4%, 2.7 percentage points higher than the 7.7% reported for 2007 and at its highest level since 2000.

Pathway delivered record results in 2008 on the back of strong petrochemical and power generation markets.

Swift action taken to address rapidly changing market conditions.

\* Continuing operations only.

## SENIOR PLC

1

Chairman's statement

Board of Directors

Director's Report

Financial information

Other information

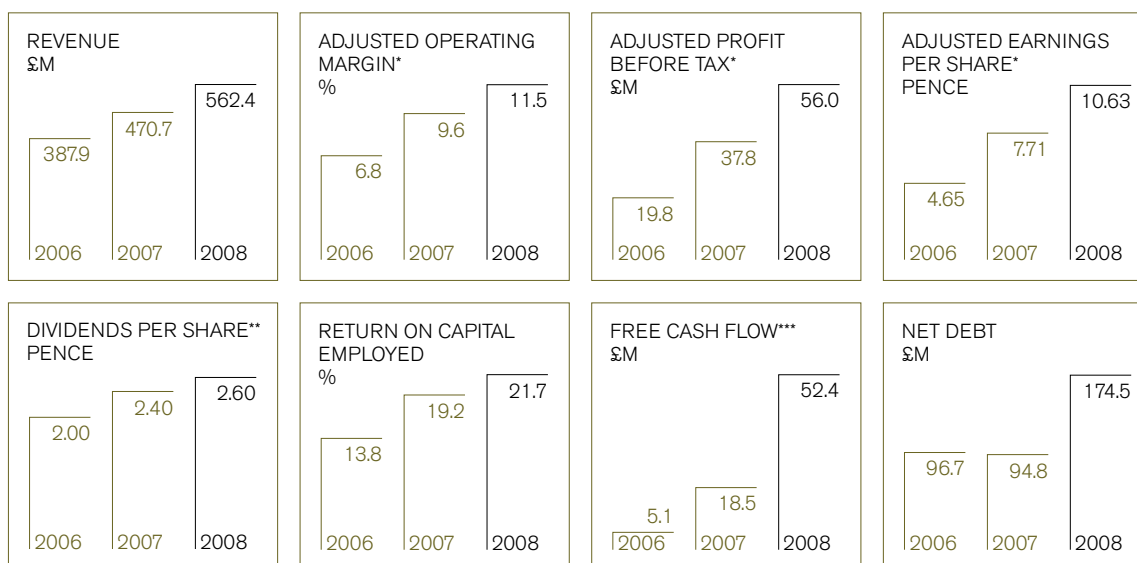
REVENUE +19% £562.4M

OPERATING PROFIT +44% £59.8M

BASIC EARNINGS PER SHARE +38% 9.92P

DIVIDENDS PER SHARE\*\* +8% 2.60P

FREE CASH FLOW\*\*\* +183% £52.4M



Adjusted profit before tax up by 48%

Adjusted operating margin of 11.5% (2007 – 9.6%)

Return on capital employed increased to 21.7%

Free cash flow nearly three times the level achieved in 2007

Group successfully refinanced in 2008. No major refinancing required until 2012

Average duration of committed facilities now 6.4 years, at fixed average interest rates of 6.4%

\* Adjusted figures are stated before loss on disposal of fixed assets of £nil (2007 – £0.7m; 2006 – £0.4m), a £4.7m charge for amortisation of intangible assets acquired on acquisitions (2007 – £3.3m; 2006 – £1.3m) and the release of a provision set up on a previous acquisition of £nil (2007 – £0.5m; 2006 £nil). Adjusted earnings per share takes account of the tax impact of these items.

\*\* Paid and proposed.

\*\*\* See Note 33(b) for derivation of free cash flow.