

Key Performance Indicators

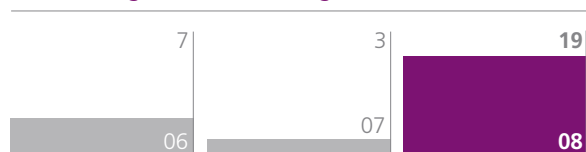
We monitor progress against the delivery of our strategic goals via four key performance indicators.

1. Sales

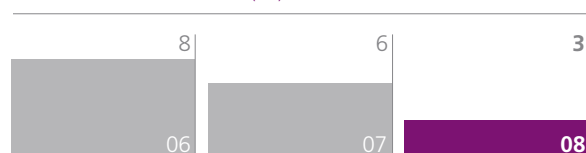
Sales growth is a measure of how we are growing our business organically. We aim to achieve year-on-year growth in sales, on a like-for-like basis, which excludes the effects of currency translation and acquisitions or divestments.

In 2008, total sales for continuing businesses were £787.1 million.

Total sales growth, continuing businesses (%)



Organic sales growth, continuing businesses, at constant currencies (%)



2. Return on sales

Return on sales is a measure of improving profitability in our business. Return on sales is defined as adjusted operating profit as a percentage of sales. In 2005 we announced our intention to achieve a mid-teens return on sales margin. This was achieved in 2007. Our aim is now to sustain or improve margins over time.

In 2008 return on sales for continuing businesses was 15.0%.

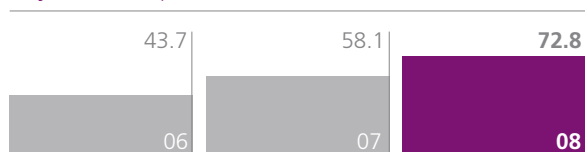
Return on sales, continuing businesses (%)



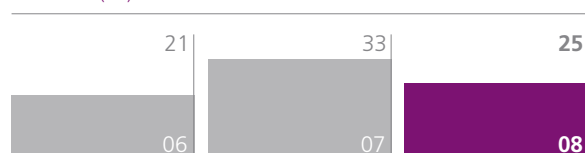
3. Earnings per share

Earnings per share is a commonly used measure of financial performance for shareholders. We aim to achieve growth in adjusted earnings per share. Adjusted earnings per share in 2008 was 72.8p. Adjusted earnings excludes certain non-operational items as defined by management in Note 3. Adjusted earnings per share is defined as the ratio of adjusted net profit for the year to the weighted average number of ordinary shares outstanding during the year.

Adjusted EPS (pence)



Growth (%)



4. Cash conversion

We focus on cash generation and use cash conversion as a performance measure as we believe cash represents an effective measure of the quality of our earnings. Our target is to deliver high cash conversion of operating profit in each financial year. Cash conversion is defined as operating cash flow as a percentage of adjusted operating profit.

Capital investment was 162% of depreciation (2007: 97%), due to an investment in a technical centre in the UK and investments in IT systems upgrades. Excluding the excess of capital investment expenditure over depreciation, cash conversion in 2008 would have been 93%. In 2008 cash conversion as reported was 86%.

Cash conversion (%)

