



L U X F E R

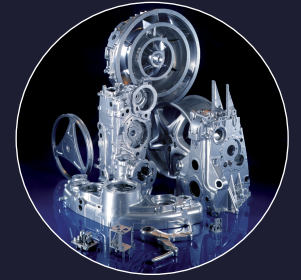
Innovative solutions in material technology

2017 Annual General Meeting

London, England

May 23, 2017

LXFR
LISTED
NYSE



Forward-looking statements

This presentation contains forward-looking statements. Examples of such forward-looking statements include, but are not limited to: (i) statements regarding the Group's results of operations and financial condition, (ii) statements of plans, objectives or goals of the Group or its management, including those related to financing, products or services, (iii) statements of future economic performance; and (iv) statements of assumptions underlying such statements. Words such as "believes", "anticipates", "expects", "intends", "forecasts" and "plans" and similar expressions are intended to identify forward-looking statements but are not the exclusive means of identifying such statements. By their very nature, forward-looking statements involve inherent risks and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. The Group cautions that a number of important factors could cause actual results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in such forward-looking statements. These factors include, but are not limited to: (i) future revenues being lower than expected; (ii) increasing competitive pressures in the industry; (iii) general economic conditions or conditions affecting demand for the services offered by us in the markets in which we operate, both domestically and internationally, including as a result of the Brexit referendum, being less favorable than expected; (iv) worldwide economic and business conditions and conditions in the industries in which we operate; (v) fluctuations in the cost of raw materials and utilities; (vi) currency fluctuations and hedging risks; (vii) our ability to protect our intellectual property; and (viii) the significant amount of indebtedness we have incurred and may incur and the obligations to service such indebtedness and to comply with the covenants contained therein. The Group cautions that the foregoing list of important factors is not exhaustive. These factors are more fully discussed in the sections "Forward-Looking Statements" and "Risk factors" in our Annual Report on Form 20-F for the year ended December 31, 2016, filed with the U.S. Securities and Exchange Commission on March 14, 2017. When relying on forward-looking statements to make decisions with respect to the Group, investors and others should carefully consider the foregoing factors and other uncertainties and events. Such forward-looking statements speak only as of the date on which they are made, and the Group does not undertake any obligation to update or revise any of them, whether as a result of new information, future events or otherwise.

Agenda

- **Joseph Bonn, Chairman**
 - Chairman's review of 2016
- **Brian Purves, Chief Executive Officer**
 - 2016 overview
 - Update on selected strategic growth initiatives
- **Andy Beaden, Group Finance Director**
 - Full-year earnings review
 - Liquidity and capital resources
- **Brian Purves**
 - Summary
 - Trading update
 - Group outlook for 2017
- **Questions?**



CHAIRMAN'S STATEMENT

.....

Chairman of the Board
Joseph Bonn



ENVIRONMENTAL



SPECIALTY

Chairman's Statement

- Management's actions in 2015 produced a strong start to 2016, but the second half proved to be difficult for our Elektron division.
- Sales of our magnesium products, mainly for defense applications, dried up, reflecting, we believe, the tightness of U.S. defense budgets.
- Gas Cylinders, however, increased trading profit over the previous year largely due to management's 2015 actions to right-size the cost base.
- Our newest magnesium alloy product - SoluMag® - achieved \$4m of sales from a standing start in a depressed oil & gas industry, and we were thrilled that the Synermag® based absorbable stent was launched by our biotechnology partner.
- Following strong cash generation in 2015, your Board approved in January 2016 a 25% increase in the quarterly dividend to 12.5 cents per ordinary share.
- With fresh defense orders appearing during Q4 and Q1, your Company remains well positioned to return to growth in 2017 and beyond.



REVIEW of 2016

.....

Group CEO

Brian Purves



ENVIRONMENTAL



SPECIALTY

2016 overview

Revenue

- \$415m compared to \$460m in 2015.
- FX translation differences reduced USD revenue by \$13m.
- Lower activity in our low-margin Czech recycling business accounted for a further \$10m.
- US defense business was the other major compressed area of sales – impacting HY2.
- Following restructuring, sales in Alternative Fuel grew over 30% to \$34m.

Profitability

- Adjusted EBITDA of \$55m compared to \$62m in 2015.
 - \$33m in first half, \$22m in second half
 - FX impact was adverse by \$0.8m.
 - Elektron EBITDA down by \$10.1m and EBITDA margin by 1.9 percentage points
 - Gas Cylinders EBITDA increased by \$3.2m and EBITDA Margin by 1.8 percentage points.
 - Group EBITDA margin down by only 0.2 percentage points
- Adjusted fully diluted EPS at \$0.92 (2015: \$1.08).
 - \$0.60 in first half, \$0.32 in second half

- **Further improvement in Gas Cylinders.**
 - Improved profitability of Gas Cylinders due to increased penetration of reduced Alternative Fuel (AF) market and our 2015 actions to reduce the cost base of the AF business.
 - Superform sales were down slightly due to lower forming sales as existing contracts expire. However, tooling sales are at record levels, supporting new long-term contracts.
 - Overall, changes in foreign exchange rates reduced Group trading profit by \$0.8m.

2016 overview (continued)

- **Challenges in Elektron**

- Our zirconium business has held up well during the transition in autocatalysis technologies.
- Elektron profitability lower due to the challenges in the magnesium business in the latter part of the year.
- Important to re-iterate that shortage of orders experienced during second half do NOT reflect loss of market share.
- In several of the affected products we remain the successful bidder for 100% of the customers' requirements.
- 2016 was an important year for several of our strategic growth projects:

Update on strategic growth initiatives



SoluMag® dissolving alloy:

- SoluMag® sales continue to improve.
- New derivatives launched:
 - HD – high-ductility
 - HS – high-strength
- ‘Fresh water’ version also in development.



SynerMag® bioresorbable alloy:

- Biotronik, our partner in the joint R&D program, has launched their Magmaris® scaffold in Europe, the Middle East and Australasia.

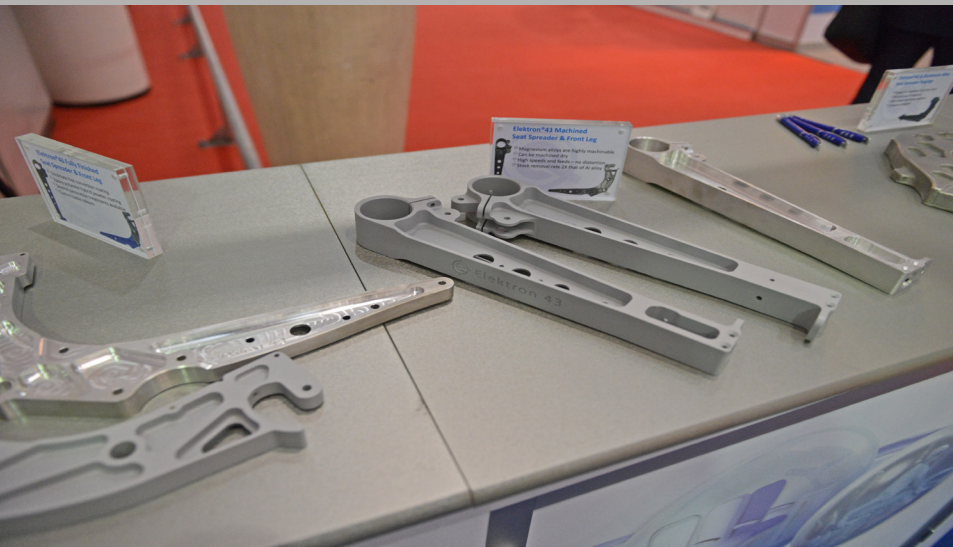
Update on strategic growth initiatives



- **Luxfer Magtech geographic expansion:**
 - We have now submitted tenders to several large non-USA buyers of self-heating meals.

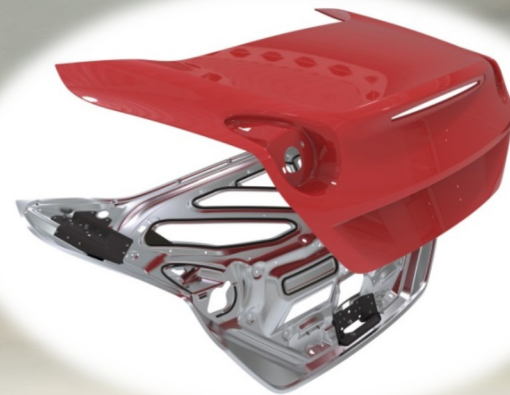
Update on strategic growth initiatives

- **Magnesium alloy testing:**
 - Three magnesium alloy components are currently being tested for inclusion in new designs for aircraft seats. We remain confident that we will get components approved during 2017.



Update on strategic growth initiatives

- **Extending Superform capabilities:**
 - New Superform investment extends its capabilities to supply higher-volume contracts for 2017 (HY2) onwards with Ferrari and another manufacturer of prestige sports cars.
 - A new facility, 'Superform Technology Center', to become the center of excellence for our assembly capabilities in the U.K., expected to open in Q2.





FINANCIAL REVIEW

.....

Group Finance Director
Andy Beaden



ENVIRONMENTAL



SPECIALTY

2016 overview

Revenue

- \$414.8m compared to \$460.3m in 2015.
- FX translation differences reduced USD revenue by \$13.4m.
- Lower activity in our low-margin Czech recycling business accounted for a further \$10m.

Profitability

- Operating profit \$35.8m compared to \$37.9m in 2015.
- Trading profit \$35.3m compared to \$42.3m in 2015.
 - FX impact was adverse by \$0.8m.
 - Elektron profitability down on 2015 primarily due to challenges in the magnesium business; however the zirconium business held up well.
 - Gas Cylinders profitability increased significantly due to a combination of increased AF sales and actions to reduce the cost base of the AF business.
 - Adjusted EBITDA of \$55.3m, compared to \$62.2m in 2015.
- Basic EPS up to \$0.83 (2015: \$0.60) and adjusted fully diluted EPS reduced at \$0.92 (2015: \$1.08).

Cash flow

- Cash generated from operations of \$29.2m compared to \$52.8m in 2015.

Trading profit and adjusted EBITDA analysis

Trading profit \$M		2016	2015
Gas Cylinders	Trading profit \$M	11.4	8.6
	ROS %	5.0%	3.6%
Elektron	Trading profit \$M	23.9	33.7
	ROS %	12.6%	15.2%
GROUP	Trading profit \$M	35.3	42.3
	ROS %	8.5%	9.2%
Trading profit changes for 2016 v 2015	Gas Cylinders	32.6%	
	Elektron	(29.1%)	
	GROUP	(16.5%)	

NOTE: Trading profit is Luxfer's IFRS 8 segment profit measure. Adjusted EBITDA is also used by the chief operating decision maker. See appendices for non-GAAP reconciliations.

Adjusted EBITDA \$M		2016	2015
Gas Cylinders		19.7	16.5
Elektron		35.6	45.7
GROUP		55.3	62.2
GROUP adjusted EBITDA margin %		13.3%	13.5%

Group revenue

	Gas Cylinders 2016 \$M	Elektron 2016 \$M	Group \$M
2015 Revenue	239.1	221.2	460.3
Changes in period:			
FX translation	(6.9)	(6.5)	(13.4)
Trading movements	(6.4)	(25.7)	(32.1)
2016 Revenue	225.8	189.0	414.8
Trading variance	(2.8%)	(12.0%)	(7.2%)

Gas Cylinders Division

	\$M
2015 Revenue	239.1
Changes in period:	
FX translation	(6.9)
Trading movements	(6.4)
2016 Revenue	225.8
Trading variance	(2.8%)

- **Underlying revenue*** down by \$6.4m or 2.8% compared to 2015.
 - AF business performed well with year-on-year growth.
 - Sales for medical composite cylinders impacted by de-stocking as customer reassigning stocks of cylinders between regions rather than buying new cylinders.
 - Superform tooling revenues increased for recently won customer projects, although forming sales were down due to run-out of legacy contracts.

* At constant translation exchange rates.

	\$M
2015 Revenue	221.2
Changes in period:	
FX translation	(6.5)
Trading movements	(25.7)
2016 Revenue	189.0
Trading variance	(12.0%)

- **Underlying revenue* down by \$25.7m or 12.0% compared to 2015.**

- Lower revenue primarily due to reduced sales of automotive catalysis materials currently in transition to a new generation of technology and reduction in lower-margin magnesium recycling.
- Sales of new catalysis products provided a partial offset.
- Weak demand from the U.S. defense sector compressed sales of several magnesium product lines.
- Revenue from European high-performance aerospace alloys increased, as did sales of our new SoluMag[®] alloy.

* At constant translation exchange rates.

Net income and EPS

	2016	2015
Other income statement items:	\$M	\$M
Trading profit	35.3	42.3
Profit on sale of redundant site	2.1	-
Changes to defined benefit pension plans	0.6	18.0
Restructuring and other expense	(2.2)	(22.4)
Operating profit	35.8	37.9
Net income:	\$M	\$M
Net income	21.9	16.1
Adjusted net income	24.7	29.5
Underlying effective tax rate	23.1%	22.6%
Adjusted basic EPS	\$0.93	\$1.10
Adjusted diluted EPS	\$0.92	\$1.08
Dividend per share	\$0.50	\$0.40

NOTE: The calculation of earnings per share is performed separately for each discrete quarterly period, and for the year-to-date period. As a result, the sum of the discrete quarterly earnings per share amounts in any particular year-to-date period may not be equal to the earnings per share amount for the year-to-date period.

NOTE: Adjusted net income is used by the chief operating decision maker. See appendices for non-GAAP reconciliations.

Liquidity and capital resources

	2016 \$M	2015 \$M
Return on invested capital	11%	12%
Invested capital	249.3	264.4
Net debt	107.4	94.7
Net debt : Adjusted EBITDA for LTM (last 12 months)	1.9	1.5
Trading working capital	89.0	88.6
Net cash flows from continuing operating activities	29.2	52.8
Net cash flows before financing	14.1	31.6
Funds returned to shareholders (Dividends and share buy-backs)	19.6	12.7

NOTE: See appendices for non-GAAP reconciliations.



SUMMARY & OUTLOOK

.....

Chief Executive Officer
Brian Purves



ENVIRONMENTAL



SPECIALTY

Summary: 2016

Gas Cylinders

- Improved profitability of Gas Cylinders division due to increased penetration of smaller Alternative Fuel market and our 2015 actions to reduce the cost based of the AF business.
- SCBA held up well despite end of '2014' back-orders. Helpfully, some improvement in sales of 'industrial' cylinders.
- Superform sales were down slightly due to lower formed goods sales as existing contracts concluded. Tooling sales, however, at record levels as a result of new long-term contracts.

Elektron

- Revenue down due to a reduction in lower-margin magnesium recycling services.
- Zirconium steady during transition to new generation of technology.
- In the second half of the year, sales of U.S. defense-related magnesium products were depressed, reflecting, we believe, budgetary pressure on U.S. defense spending leading to de-stocking.
- Important year for new product launches: Solumag and Synermag

Summary

- Trading profit and fully diluted adjusted EPS slightly down at constant exchange rates.
- AF business turned around improving Gas Cylinder's profitability.
- Order inflow improving as we exited the year.

Trading update: Q1 2017

Gas Cylinders segmental trading profit up

- Higher sales in the European medical sector with our advanced L7X[®] range of cylinders
- SCBA sales showed improvement over the latter quarters of 2016. Alternative fuel (AF) sales down on Q1 2016, but still well above our reduced 'break-even' point.

Elektron trading profit showed significant improvement from the weak end to 2016

- Pick-up in demand for defense products, with several products now back at prior-year levels before the destocking impact experienced in the latter part of 2016.
- Sales of our proprietary SoluMag[®] alloy continue to increase.
- Cost-saving actions helping to offset those areas where we still await full restoration of order cover

Adjusted operating profit and adjusted net income showed good recovery

- Meaningful improvement shown over results posted during second half of 2016.
- Shipments of flameless heaters under new contract were better than originally expected, while order cover for other U.S. defense markets continued to improve.

Group outlook: 2017

- **Guidance:**

- Several issues that affected second half of 2016 have eased early in the new year.
- Improved order cover for defense products has underpinned confidence that 2017 will be a significant uplift on 2016.
- Exchange rates, while unhelpful in 2016, expected to be a net benefit to 2017 profits.
- New round of cost reduction actions in place to improve robustness of forecasting.
- New products and sales initiatives expected to generate a meaningful contribution in 2017.
- Our objective is to lift 2017 profits by at least 10%, with the objective to get back to 2015 level.



QUESTIONS?

.....

Thank you.



ENVIRONMENTAL



SPECIALTY



APPENDICES

.....

Summary financial statements
and reconciliation of non-
GAAP measures



ENVIRONMENTAL



SPECIALTY

Reconciliation of non-GAAP measures

Adjusted net income and EBITDA:

	2016 Q1 \$M	2016 Q2 \$M	2016 Q3 \$M	2016 Q4 \$M	2016 FY \$M	2015 Q1 \$M	2015 Q2 \$M	2015 Q3 \$M	2015 Q4 \$M	2015 FY \$M
Net income / (loss) for the period - as reported	8.7	6.7	3.3	3.2	21.9	(0.5)	3.1	6.1	7.4	16.1
Accounting charges relating to acquisitions and disposals of businesses:										
Unwind of discount on deferred contingent consideration from acquisitions	0.1	0.1	0.1	0.1	0.4	0.1	0.1	0.1	0.1	0.4
Acquisitions and disposals	-	-	-	(0.2)	(0.2)	-	-	0.1	1.9	2.0
Amortization on acquired intangibles	0.3	0.4	0.3	0.0	1.0	0.4	0.3	0.4	0.3	1.4
IAS 19R retirement benefits finance charge	0.5	0.5	0.4	0.7	2.1	0.7	0.8	0.8	0.7	3.0
Changes to U.K. defined benefit pension plan	-	-	-	(0.6)	(0.6)	-	-	-	(18.0)	(18.0)
Profit on sale of redundant site	(2.1)	-	-	-	(2.1)	-	-	-	-	-
Restructuring and other expense	0.1	0.1	1.5	0.5	2.2	8.0	2.9	0.3	11.2	22.4
Other share-based compensation charges	0.4	0.6	0.1	0.3	1.4	0.3	0.3	0.2	0.5	1.3
Income tax thereon	0.1	(0.5)	(0.7)	(0.3)	(1.4)	(2.1)	0.1	(0.4)	3.3	0.9
Adjusted net income	8.1	7.9	5.0	3.7	24.7	6.9	7.6	7.6	7.4	29.5
(Deduct) / add back :										
Income tax thereon	(0.1)	0.5	0.7	0.3	1.4	2.1	(0.1)	0.4	(3.3)	(0.9)
Income tax expense	2.9	2.1	0.8	0.2	6.0	0.5	2.9	1.7	4.4	9.5
Net interest costs	1.6	1.5	1.2	1.3	5.6	1.7	1.9	1.5	1.8	6.9
Depreciation and amortization	4.6	4.7	4.6	4.5	18.4	4.6	4.7	4.7	4.6	18.6
Loss on disposal of property, plant and equipment	-	-	-	0.2	0.2	-	-	-	-	-
Less: Amortization on acquired intangibles	(0.3)	(0.4)	(0.3)	-	(1.0)	(0.4)	(0.3)	(0.4)	(0.3)	(1.4)
Adjusted EBITDA	16.8	16.3	12.0	10.2	55.3	15.4	16.7	15.5	14.6	62.2

Reconciliation of non-GAAP measures

Segmental adjusted EBITDA and trading profit:

		2016 Q1	2016 Q2	2016 Q3	2016 Q4	2016 FY	2015 Q1	2015 Q2	2015 Q3	2015 Q4	2015 FY
Gas Cylinders	Adjusted EBITDA \$M	5.0	5.4	4.9	4.4	19.7	3.2	3.7	5.0	4.6	16.5
	Other share-based compensation charges	(0.2)	(0.3)	(0.1)	-	(0.6)	(0.1)	(0.2)	(0.1)	(0.3)	(0.7)
	Depreciation and amortization	(1.8)	(1.8)	(1.8)	(2.2)	(7.6)	(1.8)	(1.8)	(1.8)	(1.8)	(7.2)
	Loss on disposal of property, plant & equipment	-	-	-	(0.1)	(0.1)	-	-	-	-	-
	Trading profit \$M	3.0	3.3	3.0	2.1	11.4	1.3	1.7	3.1	2.5	8.6
Elektron	Adjusted EBITDA \$M	11.8	10.9	7.1	5.8	35.6	12.2	13.0	10.5	10.0	45.7
	Other share-based compensation charges	(0.2)	(0.3)	-	(0.3)	(0.8)	(0.2)	(0.1)	(0.1)	(0.2)	(0.6)
	Depreciation and amortization	(2.8)	(2.9)	(2.8)	(2.3)	(10.8)	(2.8)	(2.9)	(2.9)	(2.8)	(11.4)
	Loss on disposal of property, plant & equipment	-	-	-	(0.1)	(0.1)	-	-	-	-	-
	Trading profit \$M	8.8	7.7	4.3	3.1	23.9	9.2	10.0	7.5	7.0	33.7
Group	Adjusted EBITDA \$M	16.8	16.3	12.0	10.2	55.3	15.4	16.7	15.5	14.6	62.2
	Other share-based compensation charges	(0.4)	(0.6)	(0.1)	(0.3)	(1.4)	(0.3)	(0.3)	(0.2)	(0.5)	(1.3)
	Depreciation and amortization	(4.6)	(4.7)	(4.6)	(4.5)	(18.4)	(4.6)	(4.7)	(4.7)	(4.6)	(18.6)
	Loss on disposal of property, plant & equipment	-	-	-	(0.2)	(0.2)	-	-	-	-	-
	Trading profit \$M	11.8	11.0	7.3	5.2	35.3	10.5	11.7	10.6	9.5	42.3

Reconciliation of non-GAAP measures

Return on invested capital (ROIC):

2014	2015	2016
\$M	\$M	\$M

	44.8	42.3	35.3
	19.6%	37.1%	21.5%
	(8.8)	(15.7)	(7.3)
	36.0	26.6	28.0
	36.0	26.6	28.0
	121.4	131.6	121.0
	(14.6)	(36.9)	(13.6)
	106.8	94.7	107.4
	175.4	169.7	141.9
	282.2	264.4	249.3

Average invested capital	(B)	254.7	273.3	242.6
---------------------------------	------------	--------------	--------------	--------------

Return on invested capital	(A) / (B)	14%	10%	12%
-----------------------------------	------------------	------------	------------	------------

Adjusted net income for the period	1	30.9	29.5	24.7
Income tax charge for the period	2	7.1	9.5	6.0
Income tax on adjustments to net income	3	2.9	(0.9)	1.4

Adjusted income tax charge	(C) (2 + 3)	10.0	8.6	7.4
Adjusted profit before taxation	(D) (1 + 2 + 3)	40.9	38.1	32.1

Adjusted effective tax rate	(C) / (D) = (E)	24.4%	22.6%	23.1%
------------------------------------	------------------------	--------------	--------------	--------------

Trading profit - per income statement (as above)	(F)	44.8	42.3	35.3
Adjusted notional tax	(E) x (F)	(11.0)	(9.5)	(8.1)
Adjusted trading profit after notional tax		33.8	32.8	27.2
Annualized adjusted trading profit after notional tax	(G)	33.8	32.8	27.2

Adjusted return on invested capital	(G) / (B)	13%	12%	11%
--	------------------	------------	------------	------------

Q1 2015	Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	Q3 2016	Q4 2016
\$M	\$M	\$M	\$M	\$M	\$M	\$M	\$M

Trading profit - per income statement	10.5	11.7	10.6	9.5	11.8	11.0	7.3	5.2
<i>Effective tax rate - per income statement</i>	<i>0.0%</i>	<i>48.3%</i>	<i>21.8%</i>	<i>37.3%</i>	<i>25.0%</i>	<i>23.9%</i>	<i>19.5%</i>	<i>5.9%</i>
Notional tax	0.0	(5.7)	(2.3)	(3.5)	(3.0)	(2.6)	(1.4)	(0.3)
Trading profit after notional tax	10.5	6.0	8.3	6.0	8.8	8.4	5.9	4.9
Annualized trading profit after notional tax	42.0	24.0	33.2	24.0	35.2	33.6	23.6	19.6

Bank and other loans	121.5	156.7	137.2	131.6	150.8	185.5	137.5	121.0
Cash and cash equivalents	(15.7)	(58.3)	(39.6)	(36.9)	(48.9)	(83.6)	(32.3)	(13.6)
Net debt	105.8	98.4	97.6	94.7	101.9	101.9	105.2	107.4
Total equity	159.4	174.6	161.9	169.7	160.0	146.9	129.4	141.9
Invested capital	265.2	273.0	259.5	264.4	261.9	248.8	234.6	249.3

Average invested capital	273.7	269.1	266.3	262.0	263.2	255.4	241.7	242.0
---------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Return on invested capital	15%	9%	12%	9%	13%	13%	10%	8%
-----------------------------------	------------	-----------	------------	-----------	------------	------------	------------	-----------

Adjusted net income for the period	6.9	7.6	7.6	7.4	8.1	7.9	5.0	3.7
Income tax charge for the period	0.5	2.9	1.7	4.4	2.9	2.1	0.8	0.2
Income tax on adjustments to net income	2.1	(0.1)	0.4	(3.3)	(0.1)	0.5	0.7	0.3

Adjusted income tax charge	2.6	2.8	2.1	1.1	2.8	2.6	1.5	0.5
Adjusted profit before taxation	9.5	10.4	9.7	8.5	10.9	10.5	6.5	4.2

Adjusted effective tax rate	27.4%	26.9%	21.6%	12.9%	25.7%	24.8%	23.1%	11.9%
------------------------------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------	--------------

Trading profit - per income statement (as above)	10.5	11.7	10.6	9.5	11.8	11.0	7.3	5.2
Adjusted notional tax	(2.9)	(3.2)	(2.3)	(1.2)	(3.0)	(2.7)	(1.7)	(0.6)
Adjusted trading profit after notional tax	7.6	8.5	8.3	8.3	8.8	8.3	5.6	4.6
Annualized adjusted trading profit after notional tax	30.5	33.8	33.2	33.1	35.1	33.1	22.5	18.3

Adjusted return on invested capital	11%	13%	12%	13%	13%	13%	9%	8%
--	------------	------------	------------	------------	------------	------------	-----------	-----------

Summary income statement

\$M	2016	2016	2016	2016	2016	2015	2015	2015	2015	2015	Variance Q4		Variance YTD	
	Q1	Q2	Q3	Q4	YTD	Q1	Q2	Q3	Q4	YTD	\$M	%	\$M	%
REVENUE	108.8	111.0	98.9	96.1	414.8	116.9	122.8	113.2	107.4	460.3	(11.3)	(10.5%)	(45.5)	(9.9%)
Cost of sales	(82.4)	(84.3)	(77.2)	(77.5)	(321.4)	(90.8)	(93.7)	(87.7)	(84.1)	(356.3)				
Gross profit	26.4	26.7	21.7	18.6	93.4	26.1	29.1	25.5	23.3	104.0	(4.7)	(20.2%)	(10.6)	(10.2%)
<i>Gross margin %</i>	<i>24.3%</i>	<i>24.1%</i>	<i>21.9%</i>	<i>19.4%</i>	<i>22.5%</i>	<i>22.3%</i>	<i>23.7%</i>	<i>22.5%</i>	<i>21.7%</i>	<i>22.6%</i>				
Distribution costs	(1.9)	(2.0)	(2.0)	(1.9)	(7.8)	(1.8)	(2.2)	(2.1)	(1.8)	(7.9)				
Administrative expenses	(12.8)	(13.5)	(12.5)	(12.0)	(50.8)	(13.8)	(14.8)	(12.6)	(11.4)	(52.6)				
Share of results of joint ventures and associates	0.1	(0.2)	0.1	0.5	0.5	-	(0.4)	(0.2)	(0.6)	(1.2)				
TRADING PROFIT	11.8	11.0	7.3	5.2	35.3	10.5	11.7	10.6	9.5	42.3	(4.3)	(45.3%)	(7.0)	(16.5%)
<i>Group ROS %</i>	<i>10.8%</i>	<i>9.9%</i>	<i>7.4%</i>	<i>5.4%</i>	<i>8.5%</i>	<i>9.0%</i>	<i>9.5%</i>	<i>9.4%</i>	<i>8.8%</i>	<i>9.2%</i>				
Profit on sale of redundant site	2.1	-	-	-	2.1	-	-	-	-	-				
Changes to the defined benefit pension plans	-	-	-	0.6	0.6	-	-	-	18.0	18.0				
Restructuring and other expense	(0.1)	(0.1)	(1.5)	(0.5)	(2.2)	(8.0)	(2.9)	(0.3)	(11.2)	(22.4)				
OPERATING PROFIT	13.8	10.9	5.8	5.3	35.8	2.5	8.8	10.3	16.3	37.9	(11.0)	(67.5%)	(2.1)	(5.5%)
Other income / (expense):														
Acquisitions and disposals	-	-	-	0.2	0.2	-	-	(0.1)	(1.9)	(2.0)				
Finance costs:														
Net interest costs	(1.6)	(1.5)	(1.2)	(1.3)	(5.6)	(1.7)	(1.9)	(1.5)	(1.8)	(6.9)				
IAS 19R retirement benefits finance charge	(0.5)	(0.5)	(0.4)	(0.7)	(2.1)	(0.7)	(0.8)	(0.8)	(0.7)	(3.0)				
Unwind of discount on deferred contingent consideration from acquisitions	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)	(0.1)	(0.1)	(0.1)	(0.1)	(0.4)				
PROFIT ON OPERATIONS BEFORE TAXATION	11.6	8.8	4.1	3.4	27.9	0.0	6.0	7.8	11.8	25.6	(8.4)	(71.2%)	2.3	9.0%
Income tax expense	(2.9)	(2.1)	(0.8)	(0.2)	(6.0)	(0.5)	(2.9)	(1.7)	(4.4)	(9.5)				
NET INCOME / (LOSS) FOR THE PERIOD	8.7	6.7	3.3	3.2	21.9	(0.5)	3.1	6.1	7.4	16.1	(4.2)	(56.8%)	5.8	36.0%
<i>Earnings per share - Basic</i>	<i>\$0.33</i>	<i>\$0.25</i>	<i>\$0.12</i>	<i>\$0.12</i>	<i>\$0.83</i>	<i>\$(0.02)</i>	<i>\$0.11</i>	<i>\$0.23</i>	<i>\$0.60</i>	<i>\$0.93</i>				
ADJUSTED NET INCOME	8.1	7.9	5.0	3.7	24.7	6.9	7.6	7.6	7.4	29.5	(3.7)	(50.0%)	(4.8)	(16.3%)
<i>Adjusted earnings per share - Basic</i>	<i>\$0.30</i>	<i>\$0.30</i>	<i>\$0.19</i>	<i>\$0.14</i>	<i>\$0.93</i>	<i>\$0.26</i>	<i>\$0.28</i>	<i>\$0.28</i>	<i>\$0.28</i>	<i>\$1.10</i>				
<i>Adjusted earnings per share - Diluted</i>	<i>\$0.30</i>	<i>\$0.29</i>	<i>\$0.19</i>	<i>\$0.14</i>	<i>\$0.92</i>	<i>\$0.25</i>	<i>\$0.28</i>	<i>\$0.28</i>	<i>\$0.27</i>	<i>\$1.08</i>				
Adjusted EBITDA	16.8	16.3	12.0	10.2	55.3	15.4	16.7	15.5	14.6	62.2	(4.4)	(30.1%)	(6.9)	(11.1%)

NOTE: The calculation of earnings per share is performed separately for each discrete quarterly period, and for the year-to-date period. As a result, the sum of the discrete quarterly earnings per share amounts in any particular year-to-date period may not be equal to the earnings per share amount for the year-to-date period.

Balance sheet analysis

	31 December 2015 \$M	Trading \$M	Shareholder Returns \$M	Pension Movements \$M	FX Translation \$M	31 December 2016 \$M
Property, plant and equipment	136.0	(1.5)	-	-	(6.6)	127.9
Intangible assets	87.0	0.9	-	-	(7.3)	80.6
Investments	7.2	3.2	-	-	(0.4)	10.0
Deferred income tax assets	13.8	0.9	-	4.3	(2.4)	16.6
Trade and other receivables	-	0.3	-	-	-	0.3
Long term assets	244.0	3.5	-	4.3	(16.7)	235.4
<i>Inventories</i>	<i>91.8</i>	<i>(4.4)</i>	<i>-</i>	<i>-</i>	<i>(4.9)</i>	<i>82.5</i>
<i>Trade and other receivables</i>	<i>62.3</i>	<i>(0.9)</i>	<i>-</i>	<i>-</i>	<i>(3.8)</i>	<i>57.6</i>
<i>Trade and other payables</i>	<i>(65.5)</i>	<i>11.8</i>	<i>-</i>	<i>-</i>	<i>2.6</i>	<i>(51.1)</i>
Trading working capital	88.6	6.5	-	-	(6.1)	89.0
Net tax liabilities (excluding deferred tax assets)	(1.1)	(1.5)	-	-	-	(2.6)
Non-current trade and other payables	-	(0.6)	-	-	-	(0.6)
Provisions	(5.3)	2.8	-	-	(0.1)	(2.6)
Dividends payable	-	-	-	-	-	-
Capital employed	326.2	10.7	-	4.3	(22.9)	318.6
Retirement benefits	(58.9)	-	-	(17.2)	9.6	(66.5)
Deferred contingent consideration	(2.9)	0.1	-	-	-	(2.8)
Invested capital	264.4	10.8	-	(12.9)	(13.3)	249.3
Banking revolver	(42.5)	8.6	-	-	2.1	(31.8)
Cash and cash equivalents	36.9	8.6	(19.1)	(10.9)	(1.9)	13.6
Loan notes	(89.1)	(0.1)	-	-	-	(89.2)
Net assets	169.7	27.9	(19.1)	(23.8)	(13.1)	141.9
Total debt	(131.6)	8.5	-	-	2.1	(121.0)
Net debt	(94.7)	17.1	(19.1)	(10.9)	0.2	(107.4)
Capital & reserves:						
Ordinary share capital	25.3	-	-	-	-	25.3
Deferred share capital	150.9	-	-	-	-	150.9
Share premium account	56.4	-	-	-	-	56.4
Treasury shares	(1.3)	0.5	(6.3)	-	-	(7.1)
Retained earnings	316.6	28.6	(13.3)	(23.8)	-	308.1
Other reserves	(44.4)	(0.4)	-	-	(13.1)	(57.9)
Merger reserve	(333.8)	-	-	-	-	(333.8)
Total equity	169.7	28.7	(19.6)	(23.8)	(13.1)	141.9

Cash flow

	2016 Q1 \$M	2016 Q2 \$M	2016 Q3 \$M	2016 Q4 \$M	2016 YTD \$M	2015 Q1 \$M	2015 Q2 \$M	2015 Q3 \$M	2015 Q4 \$M	2015 YTD \$M
Operating profit	13.8	10.9	5.8	5.3	35.8	2.5	8.8	10.3	16.3	37.9
Depreciation and amortization	4.6	4.7	4.6	4.5	18.4	4.6	4.7	4.7	4.6	18.6
Loss on disposal of property, plant and equipment	-	-	0.1	0.1	0.2	-	-	-	-	-
Profit on sale of redundant site	(2.1)	-	-	-	(2.1)	-	-	-	-	-
Share-based compensation charges net of cash settlement	0.4	0.2	0.5	-	1.1	0.3	0.3	0.2	0.5	1.3
Non-cash restructuring charges	-	-	-	-	-	7.5	1.2	-	9.0	17.7
Curtailment and past service credits on retirement benefits obligations	-	-	-	-	-	-	-	-	-	-
Curtailment and past service credits on retirement benefits obligations	-	-	-	(0.6)	(0.6)	-	-	-	(18.2)	(18.2)
Share of results of joint ventures and associates	(0.1)	0.2	(0.1)	(0.5)	(0.5)	-	0.4	0.2	0.6	1.2
Sale / (purchase) of assets classified as held for sale	-	-	-	-	-	-	-	1.2	-	1.2
(Increase) / decrease in working capital	(10.2)	(1.9)	0.1	4.4	(7.6)	(4.6)	4.2	1.4	6.1	7.1
Movement in retirement benefits obligations	(1.4)	(1.3)	(1.6)	(2.0)	(6.3)	(2.1)	(2.3)	(2.8)	(1.4)	(8.6)
Movement in provisions	(0.6)	-	(0.4)	(1.6)	(2.6)	(0.2)	1.4	(0.5)	(0.4)	0.3
Acquisition and disposal costs paid	(1.2)	-	-	-	(1.2)	-	-	(0.1)	(0.5)	(0.6)
Income taxes paid	(0.2)	(3.2)	(1.8)	(0.2)	(5.4)	(0.1)	(2.3)	(1.3)	(1.4)	(5.1)
NET CASH FLOWS FROM CONTINUING OPERATING ACTIVITIES	3.0	9.6	7.2	9.4	29.2	7.9	16.4	13.3	15.2	52.8
Purchases of property, plant and equipment	(3.2)	(3.7)	(5.0)	(4.6)	(16.5)	(2.5)	(2.6)	(3.6)	(6.6)	(15.3)
Purchases of intangible assets	(0.2)	(0.4)	(0.4)	(1.4)	(2.4)	-	(0.7)	(0.5)	(0.9)	(2.1)
Proceeds from sales of PPE	-	-	-	0.4	0.4	-	-	-	-	-
Proceeds from sale of redundant site	3.0	-	-	-	3.0	-	-	-	-	-
Cash received as compensation for insured loss	-	0.2	-	-	0.2	-	-	-	-	-
Investment in joint ventures and associates	1.0	(0.5)	(0.3)	-	0.2	(0.5)	-	(3.7)	-	(4.2)
Interest income received from joint ventures	0.1	0.1	0.1	-	0.3	0.2	-	0.1	0.1	0.4
Net cash flow on purchase of businesses	-	(0.3)	-	-	(0.3)	-	-	-	-	-
NET CASH FLOWS BEFORE FINANCING	3.7	5.0	1.6	3.8	14.1	5.1	13.1	5.6	7.8	31.6
Interest paid on banking facilities	(1.5)	(1.9)	(1.4)	(1.6)	(6.4)	(1.7)	(1.6)	(1.6)	(1.7)	(6.6)
Other interest received	-	-	-	0.2	0.2	-	-	0.1	0.1	0.2
Draw down on banking facilities	19.5	34.6	(47.6)	(15.0)	(8.5)	-	34.6	(19.1)	(5.9)	9.6
Amendment to banking facilities - financing costs	-	-	(0.2)	-	(0.2)	-	-	-	-	-
Dividends paid	(3.4)	(3.3)	(3.3)	(3.3)	(13.3)	(2.7)	(2.7)	(2.7)	(2.7)	(10.8)
ESOP Cash Movements	-	(0.1)	-	(0.9)	(1.0)	-	-	0.1	-	0.1
Proceeds from issue of shares	-	-	-	-	-	-	0.2	-	-	0.2
Purchase of treasury shares	(6.0)	-	0.1	(0.4)	(6.3)	-	(1.7)	(0.2)	-	(1.9)
NET INCREASE IN CASH AND CASH EQUIVALENTS	12.3	34.3	(50.8)	(17.2)	(21.4)	0.7	41.9	(17.8)	(2.4)	22.4

