



FOODSERVICE GROUP



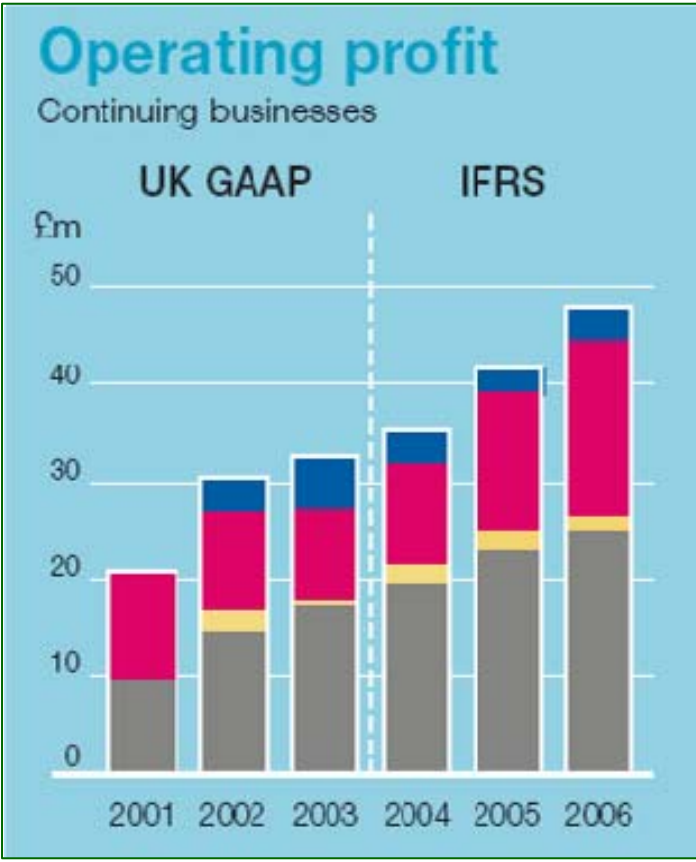
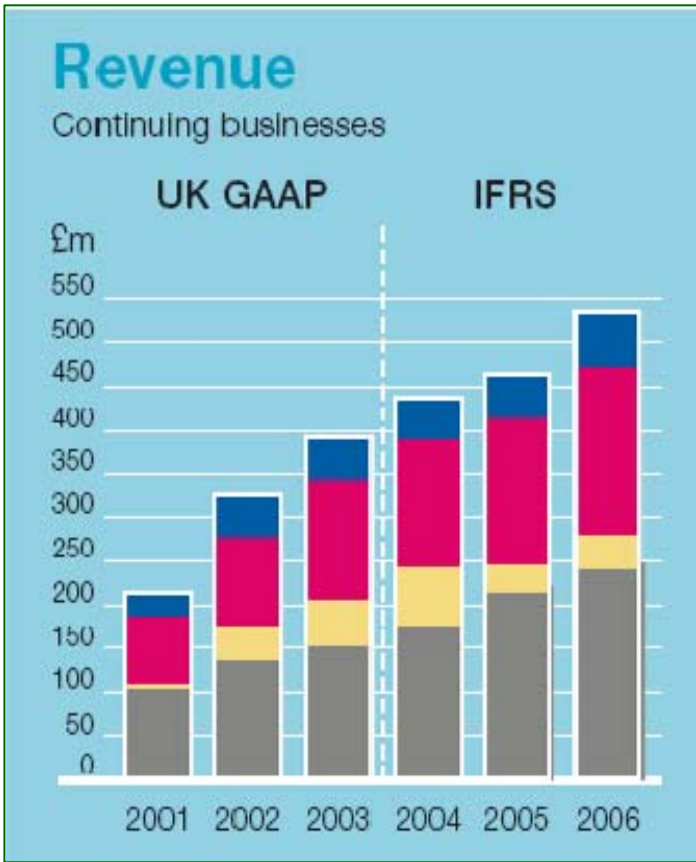
Trading Update – 6th July 2007

Progress since £786m Pipe Systems sale in 2001

- £335 million tender in 2001 : £56 million special dividend in 2007 : £9 million share buy back : £61 million in ordinary dividends
- Over £100 million invested on commercial foodservice acquisitions : over £90 million on consumer acquisitions
- Substantial investment on production facilities and plant and on research and development as systematic operational upgrade programmes undertaken
- Operating profits have more than doubled to £47.7 million in 2006
- Business taken into growth markets with identifiable triggers for further growth
- Deliverable return targets established

Progress since 2001 – Revenue & Operating Profit

Continued growth in revenue and operating profit since business transformation in 2001



UK & European Consumer US Consumer UK & European Foodservice US Foodservice

Consumer operations : H1 2007

1st Half 2007 highlights:

- Further good trading performance in first half
- Cast iron cooker volumes up 7% : home survey trends encouraging
- Own retail operations Aga / Fired Earth ahead
- Rangemaster sales up over 7% : 20% of sales outside the UK
- US appliance operation ahead - led by refrigeration operation, Marvel
- Sale of Domain completed

2006 Outturn	H1 2006*	2006	H1 2006*	2006	Net	ROS	ROCE
	Revenue £m	Revenue £m	Operating Profit £m	Operating Profit £m	Assets £m	%	%
UK & European Consumer	116.1	243.1	11.5	25.1	130.0	10.3	19.3
US Consumer	39.1	35.5	(0.2)	1.4	25.5	3.9	5.5
	155.2	278.6	11.3	26.5	155.5	9.5	17.0

* Inc Domain

Includes H1 Domain - sale now completed

Foodservice operations : H1 2007

1st Half 2007 highlights:

- Steady performance in European commercial markets bolstered by major contracts, eg Prison Service, Whole Foods
- Bakery performance good in USA and Central / Eastern Europe but a mixed trading performance in France and UK
- Doughnut, refrigeration and microwave product lines all performed well

2006 Outturn	H1 2006 Revenue £m	2006 Revenue £m	H1 2006 Operating Profit £m	2006 Operating Profit £m	Net Assets £m	ROS %	ROCE %
UK & European Foodservice	95.3	194.8	8.1	18.0	157.7	9.2	11.4
US Foodservice	22.8	55.5	0.7	3.2	53.6	5.8	6.0
	118.1	250.3	8.8	21.2	211.3	8.5	10.0

Key financial & return structures

- Targets to exceed by 2009:
 - ROS of 10%
 - ROCE of 15%
- Special dividend of 43 pence per share (£56 million) now paid : shares in issue post share consolidation 115 million
- EBITDA/net debt remains circa 1 times : target 2 times
- Pension surplus at 31/12/06 of £24 million pre tax : further appreciable strengthening of funding position during 2007 as bond yields have risen taking surplus to over £55 million
- Taxation : no immediate upward movement in taxation rate of circa 20%
- Facility upgrade programmes drive performance and bring property gains

Strategic review : the analysis

- Post 2001 plan to create value for shareholders through investment in growth areas of cooking and refrigeration equipment has worked well
- Foodservice businesses have established good positions with growth areas in combi, microwave and bake-off ovens and in fryers - against a backdrop of efficiency led accelerating capital cycles
- Aim should be to drive structural change in foodservice as economic drivers evolve making further consolidation likely
- Board assessed what strategy post approach to Enodis most likely to generate further value for shareholders and enable business to sustain growth plans
- In consumer - brands backed by a new generation of products and enhanced distribution set for further phase of growth
- **Conclusion:**
 - Separate ownership of foodservice would generate value and enable resource to be focused on readily understood consumer strategy

Foodservice operations : valuation drivers

- Sound recent order intake in foodservice and bakery indicates good second half revenues
- Margin improvements in European bakery to be driven by cost and efficiency initiatives
- Amana and Belshaw to undertake second half factory moves which will raise efficiencies moving into 2008
- New balance between own produced and sourced lines combining with wider sourcing deals to provide further momentum
- New product opportunities led by Falcon (fryers and grills) : Eloma (combis and 'Bake Bistro' concept) and Amana (combi microwaves)

Consumer operations : planning ahead

- Strategic review includes the further development plans for consumer brands led by Aga, Rangemaster and Marvel
- Onus will be on increasing frequency of purchases from our customer base whilst sustaining the recognised quality of the brands; enabling smaller niche brands to benefit from being part of a larger grouping
- Restatement of the positioning and investment case in the autumn

Aga – The Brands



FIRED EARTH

GRANGE



DIVERTIMENTI



APPENDICES

Production Facilities - Upgrades

Business Unit	Timing	Project	Project Costs
Falcon	2005	Move from Larbert to Stirling	Old site sold for housing for £4.2m in 2003 New factory cost £5.1m
Millers	2005	Logistics centre upgrade and warehousing expansion	Sale of old workshop receipts £300k Service centre development cost £0.2m Lease costs £125k per annum for workshops
Waterford Stanley	2006	Factory move in Waterford	Move and layout cost £3.5m : gain on sale and leaseback of property once developed
Aga	2006	Factory extension	£650k : increased storage and distribution
Williams, Ming Fai	2006/2007	Factory extension and showroom upgrade	Extension and upgrade cost of £0.1m
Williams UK	2006/2007	Move from Downham Market : concentration on Kings Lynn site with factory extension	Extension and move cost £2.4m Downham Market site sold for gains of £2m in 2006
Amana	2007	Move out of Whirlpool factory	New-build factory in Amana : development cost for \$9.7m : sale and leaseback possible
Aga Bakery USA	2007/2008	Belshaw factory move in Seattle and integration of Adamatic	Old site sold for \$4.0m in 2004 New-build, larger factory : leased at \$880k per annum from end 2007

Production Facilities - Upgrades (i)

Falcon, Stirling

- Successful factory move from old Larbert foundry site dating from 19th century completed in 2005 – efficiency gains made : production capacity available
- Now a benchmark factory for the rest of the foodservice units
- Removal of two work in progress warehouses due to the introduction of new layout
- Enhanced R&D facilities
- Showroom and test kitchen created – essential for menu development work



Production Facilities Upgrades (ii)

Millers

- Old cleaning and rebuild factory sold July 2005
- New 80,000 sq ft factory and warehouse opened August 2005
- Output doubled in new rebuild facility
- Sainsbury's contract renewed April 2006 – aided by enlarged storage capacity
- Logistics centre in Bury completed summer 2007 – new mezzanine floor added
- First Tesco contract – May 2007 – 105 stores
- First Morrison contract – June 2007 - £500k



Production Facilities Upgrades (iii)

Waterford Stanley, Ireland

- Move took place June 2006 from dilapidated riverside ex foundry site dating from 1930s
- Energy savings of approx 30%, due to more modern building and streamlined working practices
- 15% reduction in headcount due to improved factory layout and process flow
- Centre of Excellence for both Stanley and Aga stoves
- New distribution centre added January 2007 – increased storage for imported products
- In conjunction with Aga’s R&D team at Telford swift introduction of new products into Ireland – Stanley Supreme and Stanley Alpha (both made in Telford) : Donard upgrade imminent



Production Facilities Upgrade (iv)

Williams, Ming Fai



Williams Refrigeration, China:

Continuing expansion of Ming Fai facility – now accounts for 30% of Williams’ volume

Sales offices now open in Shanghai and Beijing – January 2007. Now selling all Group products – 12 sales staff



Production Facilities Upgrade (v)

Williams Refrigeration, Kings Lynn



Progress being made – April 07

- Extension of facility in Kings Lynn underway after sale of Downham Market factory site for housing in 2006
- One management team for enlarged site – significant overhead reduction
- Reduction of work in progress due to the integrated site
- Single piece flow through the factory – completely new layout for maximum efficiency
- Enlarged R&D facility to support worldwide product expansion

Production Facilities Upgrade (vi)

US Foodservice

Amana, Cedar Rapids, Iowa:

- A new identity and a new beginning – Amana has only had shared facilities
- Working with Amana’s vendors Whirlpool on move to purpose built facility in Cedar Rapids, Iowa : Efficiency gains to continue
- Piece part reduction due to establishing own manufacturing
- Centralisation of off-site storage
- Single piece flow layout
- Shared platform of manufacturing technology with Rangemaster



Amana Microwave



Architect's impression of new facility

Production Facilities Upgrade (vii)

Aga Bakery : USA

- Move out of dilapidated facility acquired in 2002
- New Centre of Excellence for all Aga’s US Bakery business in Seattle – production of Adamatic products in 2008
- Major reduction in work in progress
- 17% reduction in indirects linked to the above
- Establishment of the West Coast product test kitchen
- West coast import point for Far East product for Group



Belshaw
Thermoglaze



Progress in hand



Aerial view