

## OUR BUSINESSES

The Industrial & Automotive business group manufactures a wide range of systems and components for the industrial and automotive markets, principally through its four ongoing operating segments: Power Transmission, Fluid Power, Sensors & Valves and Other Industrial & Automotive. I&A has corporate offices in the US and Canada. It supplies a wide variety of industries, including the transportation, energy and natural resources and agricultural markets. Our 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 rubber materials, steel and a range of fibres and fabrics, all of which are principally sourced locally.

### POWER TRANSMISSION

Power Transmission provides solutions for the transfer of energy. Products range from highly-engineered rubber and polyurethane 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 its operations in 21 countries. It is managed through local offices in North and South America, Europe and Asia.

In 2009, 37.5% of Power Transmission's sales were to the automotive aftermarket, while 39.3% were to the automotive OE market. Sales to the industrial replacement market were 14.1%, with the remaining 9.1% of sales made to the industrial OE market.

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

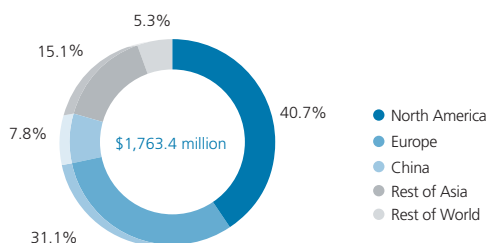
Gates Stackpole is a Canadian-based manufacturer of powertrain components, systems, assemblies and powder metal components, primarily for use in automotive engines and transmissions.

#### Key brand



→ Sales	\$1,763.4 million
→ Adjusted operating margin	12.0%
→ % ongoing Group sales	42.5%

#### Sales by destination 2009



### FLUID POWER

Fluid Power provides fluid transfer and hydraulic solutions, mainly to the industrial replacement market (49.6% of 2009 sales), industrial OE market (27.3% of 2009 sales), and automotive aftermarket (22.9% of 2009 sales).

Products include hydraulic products, couplings, transfer hose, engine hose and assemblies.

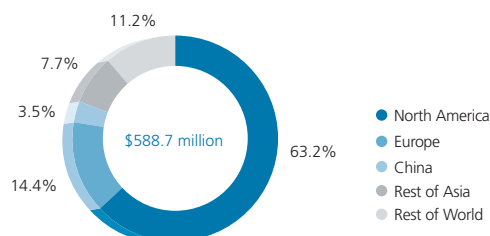
In addition to its manufacturing and distribution capabilities, Fluid Power provides on-site servicing and maintenance solutions, mainly to the oil and gas industry through its operations in the Middle East and Singapore through its Gates Engineering & Services business. Fluid Power serves customers across North and South America, Europe, Asia and the Middle East, with a presence in 19 countries.

#### Key brand



→ Sales	\$588.7 million
→ Adjusted operating margin	(2.0)%
→ % ongoing Group sales	14.2%

#### Sales by destination 2009



**Industrial – Top five customers:**

(% of Group sales)

– Motion Industries	1.8%
– Redneck Trailer Supplies	1.0%
– John Deere	0.9%
– Jayco	0.8%
– JCB	0.4%

**Automotive – Top five customers:**

(% of Group sales)

– General Motors	5.0%
– NAPA	3.7%
– Ford	2.9%
– Renault-Nissan	2.1%
– O'Reilly	1.8%

**SENSORS & VALVES**

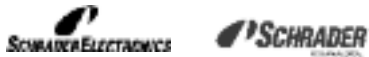
Sensors & Valves incorporates the Schrader Electronics and Schrader International businesses, which provide a range of fluid and gas sensing and monitoring solutions, including TPMS, wheel and tyre valves, air conditioning valves and inflating gauges. Products are sold primarily into the automotive OE market (74.5% of 2009 sales) and into the automotive aftermarket (20.7% of 2009 sales) for repairs and accessories.

Schrader Electronics, which is based in Northern Ireland, is a technology leader in TPMS, which allows drivers to monitor remotely their vehicle's tyre pressure using electronic sensors attached to the tyre valves. The business has been awarded contracts with many of the leading automotive manufacturers and is currently working with other Group companies to develop further applications of its sensing capabilities.

Schrader International companies manufacture a range of automotive products including gauges and valves, mainly in the US, Europe and Asia.

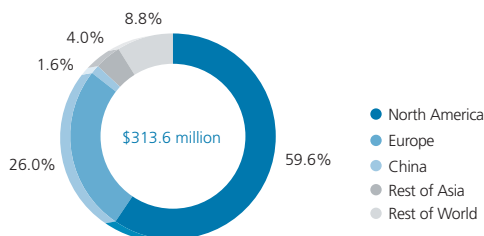
This segment was previously named 'Fluid Systems'.

**Key brands**



→ Sales	\$313.6 million
→ Adjusted operating margin	0.0%
→ % ongoing Group sales	7.6%

**Sales by destination 2009**



**OTHER INDUSTRIAL & AUTOMOTIVE**

Other I&A is primarily comprised of three businesses:

- Dexter Axle, which produces axles and chassis components for the utility trailer, recreational vehicle and highway trailer markets primarily in the US. The business sells direct to OEMs and through distributors, contributing 54.9% of Other I&A's 2009 sales;
- Ideal, which manufactures speciality hose clamps primarily for the aftermarket, principally in the US, Mexico and China under a variety of brands (19.8% of 2009 sales); and
- Plews, which designs, manufactures and distributes a broad range of automotive parts and tools such as lubrication, air hose and other aftermarket accessories, principally in the US market (13.6% of 2009 sales).

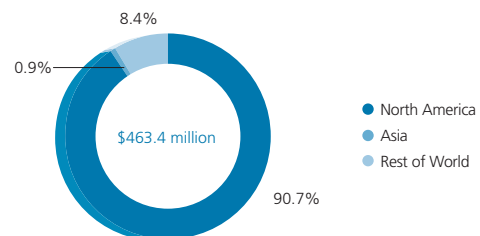
Other businesses within this segment accounted for the remaining 11.7% of Other I&A's 2009 sales.

**Key brands**



→ Sales	\$463.4 million
→ Adjusted operating margin	5.5%
→ % ongoing Group sales	11.2%

**Sales by destination 2009**



## OUR BUSINESSES

The Building Products business group manufactures a wide range of air distribution products and systems, and bathware products (baths, shower cubicles and luxury whirlpools) for the residential construction and commercial construction 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, OE manufacturers and retailers for both the new build and refurbishment sectors. Over 90% of sales are to the North American markets, but there is an increasing customer base in India, Thailand, China, Europe and the Middle East. The primary raw materials used by the business group are steel, aluminium, resin and fibreglass.

### AIR DISTRIBUTION

The Air Distribution operating segment provides air distribution solutions for the HVAC industry. Products include ducting, louvres, grilles, registers, diffusers, dampers, smoke vents and chimney products. In 2009, 72.3% of the segment's sales were made to the commercial and industrial markets, with 27.7% to the residential market. Across both the residential and non-residential markets, new build sales account for around 78% of sales, with the remainder accounted for by refurbishment.

During 2009, 93% of this segment's products were sold in North America, with customers in the UK and India accounting for a further 5% of its sales. The majority of Air Distribution'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.

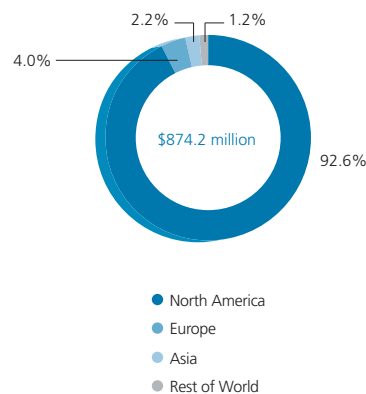
Air Systems Components designs and manufactures a range of air system products for industrial, institutional and commercial applications.

Ruskin produces and markets commercial and industrial air system components. Ruskin Air Management, a UK business, supplies markets in Europe, while Ruskin Titus Gulf, our associate operation in the Middle East, markets its products in the UAE and across the Gulf region.

The Hart & Cooley Group, which includes Selkirk, supplies the residential and light commercial markets in the US, Canada and Mexico, marketing its products primarily through wholesale distributors and retail customers.

This segment was previously named 'Air Systems Components'.

Sales by destination 2009



### Key brands

**RUSKIN**  
Air & Sound Control

**Hart & Cooley**  
HVAC Components

**ASC**  
AIR SYSTEMS COMPONENTS INC.

**SELKIRK**

→ Sales	\$874.2 million
→ Adjusted operating margin	8.9%
→ % ongoing Group sales	21.1%



**Air Distribution – Top five customers:**

(% of Group sales)

– Tom Barrow	0.7%
– York International	0.6%
– Home Depot	0.5%
– Norman S Wright	0.5%
– Carrier Group	0.4%

**Bathware – Top five customers:**

(% of Group sales)

– Home Depot	0.9%
– Ferguson Enterprises	0.5%
– WinWholesale	0.2%
– Hajoca	0.2%
– Morrison Supply	0.1%

**BATHWARE**

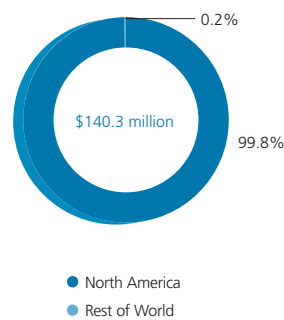
Bathware comprises Aquatic, a leading manufacturer of bath tubs, shower enclosures and an extensive range of luxury whirlpools in the US. Aquatic manufactures around one quarter of all baths in the US. In 2009, 63.3% of Bathware’s sales were made to the residential market, with a further 26.6% made to retail customers. The remaining 10.1% of sales were to institutional customers such as hospitals and care facilities.

Bathware operates from manufacturing plants and distribution warehouses across the US with national distribution to home centres and wholesalers. It also supplies standard and customised products for hotel and resort developments internationally.

In January 2010, the operations of Lasco Bathware and Aquatic Industries were merged and renamed Aquatic.

This segment was previously named ‘Other Building Products’.

**Sales by destination 2009**



→ Sales	\$140.3 million
→ Adjusted operating margin	(6.2)%
→ % ongoing Group sales	3.4%

**Key brand**

