DIPLOMA PLC

Annual Review 2013

Investment for Growth

Our Sectors

Diploma PLC is an international group of businesses supplying specialised technical products and services. We operate globally in three distinct sectors:

Life Sciences Suppliers of consumables, instrumentation and related services to the healthcare and environmental industries.

Seals Suppliers of hydraulic seals, gaskets, cylinders, components and kits for heavy mobile machinery and industrial equipment.

Controls Suppliers of specialised wiring, connectors, fasteners and control devices for technically demanding applications.

Contents

Audited financial statements are set out in the Annual Report & Accounts 2013.

www.diplomaplc.com
For current information on Diploma PLC, including the Annual Report & Accounts 2013, please visit our website.

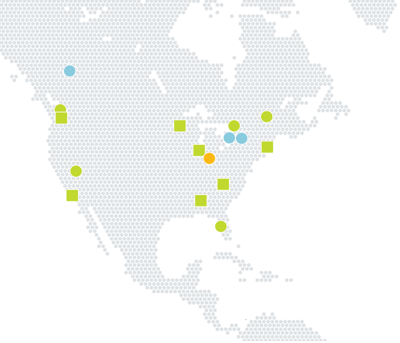
Group at a Glance

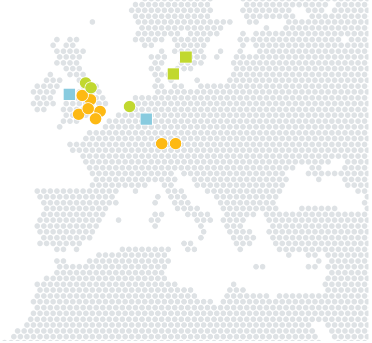
The Group is well diversified by geographic and business area.

Life Sciences
- ● Healthcare
- ■ Environmental

Seals
- ● Aftermarket
- ■ Industrial OEM

Controls
- ● Controls





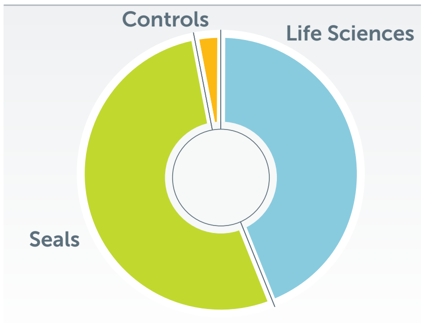
Geography

North America	Europe	Rest of World
53% of revenues[1]	**38%** of revenues[1]	**9%** of revenues[1]

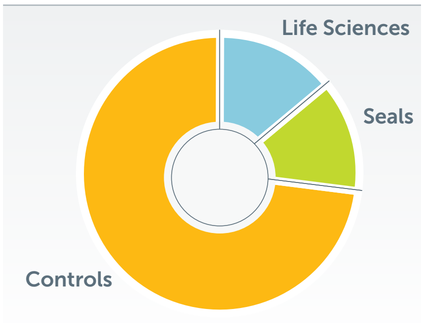
27% US
26% Canada

22% UK
16% Continental Europe

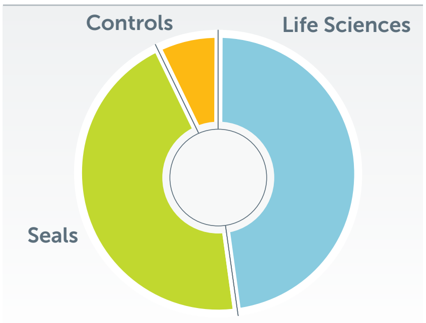
North American revenues[1] by Sector



European revenues[1] by Sector



ROW revenues[1] by Sector



1 By destination.

We focus on supplying essential products and services across a range of specialised industry segments.

Life Sciences

Healthcare (85% of revenues)
Medical devices and related consumables and services supplied to hospital pathology laboratories, operating rooms and GI Endoscopy suites and clinics

Environmental (15% of revenues)
Environmental analysers, containment enclosures and emissions monitoring systems

Principal businesses
DHG and a1-group

Seals

Aftermarket (55% of revenues)
Next day delivery of seals, sealing products and cylinder components for the repair of heavy mobile machinery

Industrial OEMs (45% of revenues)
Sealing products and custom moulded and machined parts supplied to manufacturers of specialised industrial equipment

Principal businesses
HFPG, FPE Group and M Seals

Controls

Interconnect (70% of revenues)
Wiring, harness components and fasteners used in specialised applications in Aerospace, Defence, Motorsport, Energy, Medical and Industrial

Fluid Controls (30% of revenues)
Temperature, pressure and fluid control products used in Food, Beverage and Catering industries

Principal businesses
IS Group, Filcon, Clarendon, Hawco Group

Life Sciences	Seals	Controls
33% of revenues	37% of revenues	30% of revenues
319 employees worldwide	513 employees worldwide	300 employees worldwide

Financial Highlights

Year ended 30 September

	2013 £m	2012 £m	
Revenue	**285.5**	260.2	+10%
Adjusted operating profit[1]	**54.3**	52.8	+3%
Adjusted operating margin[1]	**19.0%**	20.3%	
Adjusted profit before tax[1,2]	**54.3**	52.6	+3%
Profit before tax	**48.5**	46.0	+5%
Free cash flow[3]	**31.6**	32.7	-3%

	Pence	Pence	
Adjusted earnings per share[1,2]	**34.8**	33.1	+5%
Basic earnings per share	**30.7**	27.9	+10%
Total dividends per share	**15.7**	14.4	+9%
Free cash flow per share[3]	**27.9**	28.9	-3%

1 Before acquisition related charges.
2 Before fair value remeasurements.
3 Before cash payments on acquisitions and dividends.

Note:
Diploma PLC uses alternative performance measures as key financial indicators to assess the underlying performance of the Group. These include adjusted operating profit, adjusted profit before tax, adjusted earnings per share and free cash flow. The narrative in the Annual Review is based on these alternative measures and an explanation is set out in note 2 to the consolidated financial statements included in the Annual Report & Accounts.

Chairman's Statement

John Rennocks
Chairman

EPS growth
pence

+17% p.a.

2013	34.8
2012	33.1
2011	27.9
2010	18.9
2009	14.8

TSR growth
TSR index = 100

+39% p.a.

2013	525
2012	371
2011	240
2010	207
2009	121

Dividend growth
pence

+16% p.a.

2013	15.7
2012	14.4
2011	12.0
2010	9.0
2009	7.8

Investment for future growth

We have made significant progress this year in developing the Group's business through both investment and the effective execution of the Group's consistent and proven strategy. The robust financial performance this year and the continuing strength of the balance sheet and cash flow provide confidence in the Group's long term prospects.

After several years of strong underlying growth, the focus this year has been on the Group's Investment for Growth programme, through which significant investments are being made across the Group's businesses to establish a firm foundation for the next phase of future growth. The investment programme started last year and by 30 September 2013 the Group had invested £4.4m in modern, enlarged facilities and new and efficient information systems. Additional senior management to strengthen the Group's corporate development resources have added a further £1.1m to annual operating costs. This investment programme will be concluded during the next financial year and details of the key programme elements, together with an indication of the likely benefits that will flow to the Group over the coming years, are described later in this Review.

Acquisitions remain an integral part of the Group's growth strategy and we continue to see a promising pipeline of opportunities. Our strong track record for acquiring good quality businesses, investing in them and delivering value is founded on a disciplined approach to acquisitions. This year, uncertainties about future economic prospects have made vendors cautious and transaction processes have been lengthened. With an improving acquisition environment and additional corporate development resources in place, the Board remains

Investment in Facilities

Several of the Group's businesses have moved to modern and expanded facilities which give improved efficiency, increased capacity and better working environment.

See more on pages 14 & 15

confident that 2014 will be a successful year for converting opportunities into good value-enhancing acquisitions.

After the year end on 5 November 2013, contracts were signed for the acquisition of 80% of Kentek Oy, based in Finland, for a maximum consideration of £11.2m, extending the Seals businesses into new and emerging markets.

Results

Group revenue increased in 2013 by 10% to £285.5m (2012: £260.2m) driven by a strong performance from the Life Sciences businesses and benefiting from the contribution from acquisitions completed last year. The Seals businesses delivered modest underlying growth against strong prior year comparatives, while the Controls businesses reported a decline in underlying revenues given the difficult trading conditions in Europe, particularly in the first half of the year.

Underlying Group revenues increased by 4%, after adjusting for the additional net contribution from acquisitions, the divestment last year of a small business in Switzerland and for currency movements on the translation of overseas results.

As anticipated, adjusted operating margins reduced to 19.0% (2012: 20.3%) from the record levels reported last year, largely reflecting the impact on operating costs of investing in the businesses. Adjusted operating profit increased by 3% to £54.3m (2012: £52.8m).

Adjusted profit before tax increased by 3% to £54.3m (2012: £52.6m) and adjusted earnings per share, helped by a lower effective tax rate, increased by 5% to 34.8p (2012: 33.1p).

The Group continued to generate strong cash flow of £31.6m (2012: £32.7m), after both increasing capital investment in the businesses to £4.6m (2012: £3.5m) and making an exceptional cash contribution of £4.7m (2012: £Nil) to the Group's Employee Benefit Trust.

During the year, £17.4m (2012: £14.2m) was distributed to shareholders as dividends and with a much lower expenditure on acquisitions of £2.2m (2012: £22.3m), the Group's net cash funds increased by £11.4m to £19.3m at 30 September 2013.

Dividends

The strong balance sheet and free cash flow, supported by a solid set of results has led the Board to recommend an increase in the final dividend of 5% to 10.7p per share (2012: 10.2p). Subject to shareholder approval at the Annual General Meeting, this dividend will be paid on 22 January 2014 to shareholders on the register at 29 November 2013.

The total dividend per share for the year will be 15.7p which represents a 9% increase on 2012. The dividend is well covered by adjusted EPS at 2.2 times, in line with our objective of targeting towards a two times level of cover.

Board development

I am very pleased with the progress we have made this year in developing and refreshing the Board and its Committees. This process started some 18 months ago following the Company's admission to the FTSE 250 index. In November 2012, we welcomed Marie-Louise Clayton to the Board as a non-Executive Director and I was delighted that John Nicholas and Charles Packshaw agreed to join the Board as non-Executive Directors in June 2013. These changes were in part brought about by the decision of John Matthews and Ian Grice to retire from the Board, having served as independent Directors for many years. During their tenure they have guided the Company through a period of significant growth and development and I am very grateful to both John and Ian for their wise counsel and for their substantial contribution to the success of the Group.

I am confident that the refreshed Board has the right balance of skills, experience, capabilities, independence, diversity and knowledge required to lead the Company forward during its next stage of development.

Employees

It is important to thank all our employees whose tremendous hard work has been a driving force behind our performance. Diploma is very much a people business and success is always a team effort. We continue to foster an entrepreneurial culture within our businesses which encourages all our staff to take responsibility for their own businesses.

Outlook

The Group has a resilient business model with a good geographic spread of businesses, supported by a strong balance sheet and cash flow. We have made significant investments in the business this year, providing the resources and capacity to support our future growth in key markets and improve our ability to target and develop acquisitions.

Looking ahead, the investments we have made provide a strong platform for growth and the Board is confident that the Group will make further progress this year.

John Rennocks
Chairman
18 November 2013

Our Business Model and Growth Strategy

Our Business Model

The Group comprises a number of high quality, specialised businesses which design their individual business models to make them essential to their customers.

Essential Products

= recurring income and stable revenue growth

Our businesses focus on supplying essential products and services funded by customers' operating rather than capital budgets and supplied across a range of specialised industry segments.

The majority of the Group's revenues are generated from consumable products. In many cases, the products will be used in repair and maintenance applications and refurbishment and upgrade programmes, rather than supplied to original equipment manufacturers.

These characteristics all contribute to the Group's record of stable revenue growth over the business cycle.

Essential Solutions

= sustainable and attractive margins

Our businesses design their individual business models to provide solutions which closely meet the requirements of their customers.

The solutions can be in the form of:

- Highly responsive customer service, such as the next day delivery from stock of essential, but low value items;
- Deep technical support, where we work closely with our customers in designing our products into their specific applications;
- Added value services which, if we did not provide these services, customers would have to pay others to provide them or would require them to invest in additional resources of their own.

By supplying solutions, not just products, we build strong long term relationships with our customers and suppliers, supporting sustainable and attractive margins.

Essential Values

= agility and responsiveness

We encourage an entrepreneurial culture across our businesses, through a decentralised management structure.

We want the managers to feel that they have the freedom to run their own businesses, while being able to draw upon the support and resources of a larger group where this is beneficial.

Within our businesses we have strong, self-standing management teams who are committed to and rewarded according to the success of their businesses. This ensures that decisions are made close to the customer and that the businesses are agile and responsive to changes in the market and the competitive environment.

The main focus this year has been on the "Build" phase of our growth strategy.

Our Growth Strategy

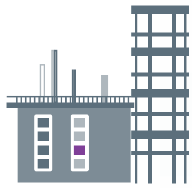
Acquire

Build

Grow

The Group's "Acquire, Build, Grow" strategy is designed to deliver strong, double-digit growth by building larger, broader-based businesses in the three Group sectors.

The focus this year has been on the "Build" phase of the strategy through the Group's "Investment for Growth" programme. This comprises a series of specific investments designed to provide the foundation for the next phase of the Group's growth.



Investment in Facilities

£3.6m of capital and revenue cost is being invested in modern and expanded facilities. By the end of 2013, four of five planned business moves had been successfully completed in the US, UK and Canada with the final one completed in Canada in October 2013.

See more on pages 14 & 15

Investment in IT Systems

£1.7m of capital and revenue cost is being invested in powerful and efficient new ERP systems. By the end of 2013, three implementations had been successfully completed. The final project will be rolled out to the Canadian Healthcare businesses through 2014.

See more on pages 16 & 17

Investment in Management

Investment is being made in additional senior managers at the Group's Head Office and in the major businesses to strengthen the corporate development resources. These additional managers are all now in place and add ca. £1.2m to annual operating costs.

See more on pages 18 & 19

Chief Executive's Review

Bruce Thompson
Chief Executive Officer

"Over five years, compound growth rates for adjusted EPS and TSR have been 17% p.a. and 39% p.a. respectively."

Principal corporate objectives

Achieve double digit growth in adjusted EPS over the business cycle
Adjusted earnings per share ("EPS"), measured over the business cycle, provides an absolute benchmark of the Company's performance. Over the last five years, adjusted EPS has grown at a compound growth rate of 17% p.a. through a combination of steady organic growth and carefully targeted acquisitions.

Generate TSR growth in the upper quartile of the FTSE 250
Total shareholder return ("TSR") is the growth in value of a share plus the value of dividends reinvested in the Company's shares on the day on which they are paid. This is measured against the TSR growth of the FTSE mid-250 index (excluding investment trusts) ("FTSE 250"). The last five years have seen a compound TSR growth for Diploma of 39% p.a., which represents upper quartile performance as compared with the FTSE 250, where median TSR growth has been 18% p.a.

Deliver progressive dividend growth with two times dividend cover
Diploma follows a progressive dividend policy with a target cover of two times on an adjusted EPS basis. Over the last five years, dividends have steadily grown at the rate of 16% p.a. and this continues the trend of increasing dividends in each of the last 14 years.

Growth in the value of a hypothetical £100 holding over five years

Next level objectives

Generate stable "GDP plus" organic revenue growth over the business cycle
The businesses target organic revenue growth, over the economic cycle, at a rate of 5–6% p.a. ("GDP plus" growth), with higher growth rates achieved at the Group level through carefully selected value enhancing acquisitions.

Underlying revenue is after adjusting for the impact from acquisitions and divestments and for currency movements on the translation of overseas results.

Maintain stable attractive margins
Operating margin is an important measure of the success of the businesses in achieving superior margins by offering strongly differentiated products and customer focused solutions, as well as by running efficient operations.

Accelerate growth through carefully selected value enhancing acquisitions
To complement the Group's organic growth strategy, the Group has an ongoing acquisition programme, designed to accelerate growth and to facilitate entry into related strategic markets.

Generate consistently strong cash flow to fund growth strategy and dividends
Free cash flow is defined as the cash flow generated after tax, but before acquisitions and dividends. This measures the success of the Group and its businesses in turning profit into cash through the careful management of working capital and investments in fixed assets.

Create value by consistently exceeding 20% ROTCE
Return on trading capital employed ("ROTCE") is defined as adjusted operating profit as a percentage of trading capital employed ("TCE"). TCE excludes net cash and non-operating assets and liabilities, but includes all goodwill and acquired intangible assets.

Key performance indicators

Total revenue growth: % p.a.

13%
p.a. compound

2013	£285.5m
2012	£260.2m
2011	£230.6m
2010	£183.5m
2009	£160.0m

Underlying revenue growth: % p.a.

+5%
p.a. average

2013	+4%
2012	+6%
2011	+17%
2010	+11%
2009	–12%

Adjusted operating margins: % of revenue

18–19%
average

2013	19.0%
2012	20.3%
2011	19.6%
2010	17.5%
2009	16.0%

Acquisition spend: £m

£15m
p.a. average

2013	£2.2m
2012	£22.3m
2011	£28.2m
2010	£11.0m
2009	£12.2m

Free cash flow: £m

£29m
p.a. average

2013	£31.6m
2012	£32.7m
2011	£25.0m
2010	£29.8m
2009	£23.5m

Working capital as % of revenue

16–17%
average

2013	16.7%
2012	16.5%
2011	16.1%
2010	15.4%
2009	17.6%

ROTCE: %

24%
average

2013	25.8%
2012	26.6%
2011	25.4%
2010	22.1%
2009	19.0%

Our Year in Review

Group
Major investment programme to establish firm foundation for growth

Life Sciences
Strong growth across all businesses after prior year investments

Seals
Modest underlying growth but against very strong comparatives

"The main focus this year has been the Group's Investment for Growth programme."

Business model and growth strategy
The Group's strategy is designed to generate strong, double-digit growth in earnings and value over the business cycle, by building larger, broader-based businesses in the three Group Sectors of Life Sciences, Seals and Controls.

Our businesses target organic revenue growth over the business cycle at the rate of 5–6% p.a. ("GDP plus" growth). Stable and resilient revenue growth is achieved through our focus on ***essential products*** and services funded by customers' operating rather than capital budgets and supplied across a range of specialised industry segments. By supplying ***essential solutions***, not just products, we build strong long term relationships with our customers and suppliers, which support sustainable and attractive margins. Finally we encourage an entrepreneurial culture in our businesses through our decentralised management structure and these ***essential values*** ensure that decisions are made close to the customer and that the businesses are agile and responsive to changes in the market and the competitive environment.

Overall growth is accelerated from the underlying GDP plus levels to the strong, double-digit level through carefully selected, value-enhancing acquisitions which fit the business model and offer entry into new strategic markets. Acquisitions are not made just to add revenue and profit, but rather we are looking for successful businesses which have growth potential, capable management and a good track record of profitable growth and cash generation.

As part of our ***Acquire***, ***Build***, ***Grow*** strategy, we invest in the businesses post acquisition to build a firm foundation to allow them to move to a new level of growth. These acquisitions form a critical part of our Sector growth strategies and are designed to generate a pre-tax return on investment of at least 20% and hence support our Group objective of consistently exceeding 20% return on trading capital employed ("ROTCE").

The Group has delivered another year of growth, albeit at a lower level than previous years. The main focus this year has been on the Investment for Growth programme to ensure that following the strong growth in recent years, we continue to have the right platform in place to support the future growth of the business. Whilst our pipeline of opportunities remains promising, we have seen more modest acquisition activity this year as transaction processes have lengthened in the current macroeconomic environment.

Performance against KPIs
Growth in the year against the principal corporate objectives of adjusted earnings per share ("EPS") and total shareholder return ("TSR") has been 5% and 42% respectively. Over a five year period, compound growth rates for EPS and TSR have been 17% p.a. and 39% p.a. respectively.

This year, the Group increased revenues by 10% over the prior year with *underlying revenue growth* of 4% after adjusting for currency effects, acquisitions and a small divestment in 2012. Underlying growth rates

Controls
Decline in underlying revenues in face of challenging trading conditions in Europe

Acquisitions
Uncertain economic environment slowing transaction processes

Group
Strong cash flow and growth in value

strengthened from 2% in the first half of the year to 6% in the second half, trending towards GDP plus levels of growth as prior year comparatives became less challenging. The Group continues to benefit from its broad spread of businesses and geography, with the Life Sciences businesses growing strongly and more than offsetting the small decline in underlying revenues in Controls, largely caused by the challenging trading conditions in Europe. The Seals businesses, which in recent years have acted as the principal driver for the Group's growth, showed modest underlying growth this year against very strong comparatives.

Adjusted *operating margins* reduced to 19% this year from the record 20% plus levels of last year reflecting the impact on operating costs of investing in the businesses. There will be benefits resulting from these investments in terms of greater operating efficiencies and improved management of working capital, which should start to make a positive impact in the second half of 2014. Against this, new acquisitions brought into the Group are likely to join with initial operating margins below the Group average.

The level of *acquisition spend* this year of £2.2m is well below the five year average of ca. £15m p.a. and a current target of £25m plus. The uncertainty over future economic prospects has made vendors very cautious and has resulted in lengthening transaction processes and delayed completions. With an improving acquisition environment and additional corporate development resources in place, prospects for 2014 are more encouraging.

The Group continued to generate strong *free cash flow*, which at £31.6m was still close to last year's level of £32.7m. This was after an exceptional £4.7m cash contribution this year to fund the Group's Employee Benefit Trust and £4.6m of capital expenditure, which was up £1.1m from the prior year. Free cash flow as a percentage of adjusted profit after tax (free cash flow conversion) was 80% compared with the five year average of ca. 95%. *Working capital as a percentage of revenue* was 16.7% compared with the five year average of 16.5%.

Return on trading capital employed or *ROTCE* is the final indicator of the overall performance of the Group and very importantly its success in creating value for shareholders. ROTCE is measured as the pre-tax return on total Group investment excluding net cash funds, but including all goodwill and acquired intangible assets. ROTCE has exceeded the 20% target in each of the last five years and this year was 25.8%.

Investment for Growth

The Investment for Growth programme comprises a series of specific investments designed to provide the foundation for the next phase of the Group's growth. Major investments are being made in modern and expanded facilities, powerful and efficient new information technology ("IT") systems and additional senior management to strengthen corporate development resources.

By the end of the 2013 financial year, £4.4m of the programme's planned investment of £5.3m in new facilities and IT infrastructure had been invested, with ca. £0.9m still to be invested in 2014. The benefits resulting from these investments in facilities and ERP systems should start to impact in the second half of 2014, delivering greater operating efficiencies and improved management of working capital.

To date, £3.4m has been invested in major facility moves. In 2012, two of the Industrial OEM Seals businesses, RT Dygert and All Seals moved to new facilities. This year the Vantage business in Canada and the IS-Rayfast business in the UK completed major relocations into new larger facilities in Markham, Ontario in Canada and Swindon in the UK respectively. After

Our Year in Review
continued

the year end, the Hercules business in Barrie, Ontario completed a move to a new custom built facility. All moves have been successfully completed with minimal disruption to the businesses. The new facilities not only provide an appropriate environment for modern, technically biased companies, but also substantial capacity for future growth.

A further £1.0m has been invested in powerful new ERP systems to improve the IT infrastructure. During the year, major new ERP systems were implemented by M Seals across its three locations in Denmark, Sweden and China, by Hawco in its principal UK operation and by a1-envirosciences in Germany. A major new ERP project has also been initiated by the Healthcare businesses in Canada, with implementation starting in Somagen during the second half of 2013 and plans to roll out the system across the other businesses through the 2014 financial year.

Investment has also been made in additional senior managers at the Group's Head Office and in the major businesses to strengthen corporate development resources. These additional managers are all now in place and have added ca. £1.1m to annual operating costs this year.

Outside the Investment for Growth programme, there has been further investment within the businesses to strengthen sales and business development resources and in regional management. These additional resources are designed to give the strong leadership required to extend the businesses into new areas and develop acquisition opportunities.

Acquisitions

Acquisitions remain an integral part of the Board's strategy, but this has been a frustrating year for completing acquisitions, as the general economic uncertainty has contributed to increased caution from vendors and lengthened transaction processes. During the past ten years the Group has experienced similar challenging periods for completing acquisitions and therefore is prepared to wait until the environment improves, rather than compromise the quality of acquisitions and risk diluting shareholder value.

As confidence builds and the prospects for the global economy improve, there are signs that the acquisition environment is now improving. With the investments made this year in additional corporate development resources, the scope of the acquisition programme has broadened and the acquisition pipeline has strengthened.

Following the year end, in early November contracts were signed for the acquisition of 80% of Kentek Oy for a maximum consideration of £11.2m (€13.3m). Kentek is a specialised distributor of filters and related products, used in heavy mobile machinery and industrial equipment applications. Kentek is based in Finland with operations in Russia and the Baltic States and will extend the reach of the Seals businesses into new and emerging markets.

This transaction is expected to close in January 2014 with completion conditional upon certain conditions precedent. These conditions include the approval of the Russian competition authorities, no material adverse change and warranties to be repeated at closing.

Sector developments

Good progress was made in the year in further developing the Group's strategy in each of the three business Sectors and the key developments this year are summarised below.

Life Sciences

33%
Group revenues

	2013 £m	2012 £m	
Revenue	93.2	78.4	+19%
Adjusted operating profit	20.9	18.0	+16%
Adjusted operating margin	22.4%	23.0%	

- **Underlying revenue growth of 15% with strong growth across all businesses**
- **Vantage completed integration programme with move to new facility; strong growth of new MI Surgery business in AMT**
- **Major supplier added at DSL giving step change in revenues; Australian management strengthened and operations integrated**
- **Major new ERP system initiated in Canada with roll-out through 2014**
- **Strong growth in reshaped Environmental businesses**

The Life Sciences businesses increased revenues by 19%, which included a full year contribution from the DSL business in Australia, acquired in June 2012. After adjusting for this acquisition, for currency effects and for a minor reshaping of the Environmental businesses, underlying revenues in Life Sciences increased by 15%.

Adjusted operating profit increased by 16% and adjusted operating margins reduced by 60bps to 22.4%. In the Healthcare businesses, there was some weakening in gross margins towards the end of the year, caused by the weakening of the Canadian and Australian exchange rates, relative to

Investment in IT Systems

Powerful new ERP systems in several of the Group's businesses give improved efficiency and better functionality and facilitate synergies between businesses.

See more on pages 16 & 17

the US dollar. The implementation of the Investment for Growth programme during the year also impacted Healthcare operating margins but this was partly offset by an improvement in Environmental margins.

The DHG group of ***Healthcare*** businesses in Canada and Australia account for ca. 85% of Life Sciences revenues. The DHG business model is to build strong market positions in growing niche healthcare markets. Products are sourced from high quality medical device manufacturers under the terms of long term exclusive distribution agreements. Full service solutions are provided by highly qualified DHG technical sales and product application staff, working closely with the surgeons, operating room nurses and laboratory technologists. A large proportion of revenues (ca. 70%) are secured under multi-year customer contracts.

In Canada, the Somagen and AMT businesses continued to grow steadily in their core markets of Clinical Diagnostics and Electrosurgery. The principal drivers of growth this year however, have been the two newer businesses, Vantage and AMT's Minimally Invasive ("MI") Surgery business. Vantage has benefited from prior year investments to establish it as a strong independent business within DHG, focused on the growing GI Endoscopy market. Vantage started the current financial year with a complete product range, an integrated and fully trained sales team and strengthened operational and service management. Vantage has performed strongly this year with steadily growing sales of consumable and service products boosted by strong capital equipment sales and CPP (cost per procedure) based contracts.

AMT's new MI Surgery business also benefited from prior year investments in securing a strong portfolio of products, negotiating long term supplier agreements and in building a focused sales team. The business supplies products ranging from surgical instruments used in standard laparoscopic procedures to leading edge interventional radiology and oncology products for use in the treatment of cancer and cancer related conditions. This year has seen a substantial increase in revenues from this new business area.

In Australia, DSL in its first full year in the Group, delivered a step change increase in revenues from the addition of a major new supplier (also a key supplier to Somagen) shortly after acquisition. BGS also continued to penetrate the market with its smoke evacuation products while maintaining steady growth in sales of its core electrosurgical grounding pads and laparoscopic electrodes. During the year, senior management in Australia was strengthened at country level and the BGS operations and back office functions were successfully relocated and integrated into the DSL facility in Melbourne. The DSL and BGS businesses continue to operate as clear separate sales and marketing businesses, but will now benefit from the efficiencies and critical mass of a central services group.

The remaining ca. 15% of Life Sciences revenues are generated by the Group's ***Environmental*** businesses in Europe, which supply a range of products used in Environmental testing and Health & Safety applications. Following various initiatives in recent years to reshape and refocus the businesses, both a1-envirosciences and a1-CBISS delivered double digit growth this year and an improvement in operating margins.

Seals

37%

Group revenues

	2013 £m	2012 £m	
Revenue	**106.1**	99.9	+6%
Adjusted operating profit	**19.5**	20.4	–4%
Adjusted operating margin	**18.4%**	20.4%	

- **Underlying revenue growth of 2% against very strong prior year comparatives**
- **Continued development of Aftermarket Webstore application with online sales up by 30% this year**
- **Investment in two new seal machining centres and increased engineering resource to improve service offering and broaden product line**
- **Investment in the Industrial OEM businesses in new seal compound certifications to move up the value chain**
- **Hercules Canada relocation completed after year end and new ERP system installed across the three M Seals businesses**

The Seals businesses increased revenues by 6% including a full year contribution from J Royal, which had been acquired in December 2011. After adjusting for the additional contribution from this acquisition and for currency translation effects, underlying revenues increased by 2%.

Adjusted operating profits decreased by 4% and operating margins reduced by 200bps to 18.4% of revenue, reflecting the impact of investment in the Seals businesses, including the

Our Year in Review
continued

"Good progress has been made in the year in further developing the Group in each of the three Sectors."

Seals continued

Group's Investment for Growth programme begun last year. Aftermarket gross margins continued to be resilient, underpinned by essential product availability and added value technical service, though overall, Seals gross margins weakened slightly with continued competition in the Industrial OEM markets.

The ***Aftermarket*** businesses account for ca. 55% of Seals revenues and supply own-branded sealing products used in a broad range of heavy mobile machinery applications. The products are generally supplied from inventory on a next day delivery basis and are used in the repair and maintenance of equipment after it has completed its initial warranty or lease term.

In North America, the Aftermarket businesses have consistently out-performed the relevant construction indices and have posted strong growth rates since emerging from the 2009 downturn. This year, the businesses have consolidated their market share gains and are now moving to more normal GDP plus growth rates. Hercules Bulldog has made a number of investments during the year to reinforce its market leading levels of service. During the year, over 3,000 new kit applications were developed and additional revenues were generated from sales of new parts.

The business continued to develop its electronic trading capabilities ("Webstore") with new search and find capabilities, allowing the business to develop new sales channels to retail customers, as well as converting existing customers to online ordering. Online sales increased this year by over 30% and now represent 15% of revenues. The business also installed its third seal machining centre and added technical staff and development engineers to broaden the product range offered to customers.

In Europe, FPE took operational responsibility for the Hercules Europe operation in the Netherlands, which will now provide the impetus to develop a more substantial, unified European Aftermarket group. The FPE group delivered another year of good revenue growth and installed an additional seal machining centre to complement the two existing machines.

The ***Industrial OEM*** businesses account for ca. 45% of Seals revenues and supply seals, O-rings and custom moulded and machined parts used in a range of specialised industrial equipment. The businesses work closely with the Industrial OEM customers to specify the most appropriate sealing material, design and manufacturer for the application. Once the product is designed in to the application, the businesses supply the sealing products and provide the necessary logistical and technical support, in most cases for the lifetime of the product.

In North America, the Industrial OEM businesses have continued to operate in an industrial economy which has shown slow steady growth since emerging from the 2009 recession. The HFPG businesses have broadly grown with the market, with a stable level of demand from existing customers and a steady stream of new projects offsetting any business lost. In an increasingly competitive market for the more standard products, the RT Dygert business has enhanced its product offering through new compound certifications for a variety of applications, which allows it to meet the more stringent demands of customers and to move up the value chain. The J Royal and All Seals businesses have invested in additional technical sales resource and a new water jet gasket cutting machine to generate growth. All Seals has also obtained the AS9100 quality certification which strengthens its position in the Aeropsace and Medical products industries.

In Europe, M Seals delivered good overall growth in its core Scandinavian markets which more than offset the slowing demand for its wind turbine seals in China. The new ERP system implemented this year will provide a solid platform for growth and more efficient management of inventory across the three country locations.

The acquisition of Kentek Oy will extend the reach of the Seals businesses into new and emerging markets. Kentek is a specialised distributor of filters and related products, based in Finland, but with 75% of revenues generated by its operations in Russia and the Baltic States. Kentek supplies its products to similar heavy mobile machinery applications as the Aftermarket Seals businesses, but Kentek also has a good proportion of its revenues in the Oil & Gas and Mining sectors, where the Seals businesses currently have limited involvement.

Investment in Management

Additional senior management at the Group level and in the major businesses have strengthened the corporate development resource.

See more on pages 18 & 19

Controls

30%
Group revenues

	2013 £m	2012 £m	
Revenue	**86.2**	81.9	+5%
Adjusted operating profit	**13.9**	14.4	–3%
Adjusted operating margin	**16.1%**	17.6%	

- **Underlying revenues decreased by 3% in challenging trading conditions in Europe**
- **IS-Group relocated to new warehouse/office facility**
- **Amfast integrated into Clarendon; strong performance in premium aircraft seats and interiors**
- **Rayquick acquisition strengthened Sommer's position in Electrical Distribution in Germany**
- **New ERP system at Hawco; strengthened sales resource at Abbeychart**

The Controls businesses increased revenues in 2013 by 5%, benefiting from both the acquisition in November 2012 of a small energy distributor based in Germany and from a full year contribution from Abbeychart and Amfast, acquired respectively in March and May 2012. After adjusting for the additional contribution from these acquisitions and for modest currency translation effects, underlying revenues decreased by 3%.

Over 90% of Controls revenues are generated in Europe and the background trading conditions during the year have been very challenging, reflecting the economies in the principal markets of the UK and Germany.

Operating profits decreased by 3% and operating margins reduced by 150bps to 16.1%. The reduced operating margins resulted from the reduction in underlying revenues, combined with increased costs following the major relocation of the IS-Rayfast business in the UK and the ERP investment at Hawco. Overall gross margins in the Controls Sector remained resilient as the businesses continued to focus on specialised markets and added value opportunities.

The ***Interconnect*** businesses account for ca. 70% of Controls revenues and supply high performance wiring, connectors and harness components, fasteners and control devices along with a range of value-added services. The products are used in technically demanding applications and often harsh environments in industries including Aerospace, Defence, Motorsport, Energy, Medical and Industrial.

In the first quarter of this year, IS-Rayfast completed its relocation from the site it had occupied since 1992 into a newly refurbished 37,000 sq ft facility nearby in Swindon. The facility now accommodates the core IS-Rayfast business and acts as the central management and operational hub for the IS-Group businesses in the UK.

Amfast had an excellent first year in the Group and consolidated its position within the Civil Aerospace sector as a leading supplier to the premium aircraft seating and cabin interior market. Later in the year, Amfast's sales and customer service functions were fully integrated into Clarendon's sales operation in Leicester and warehousing operations were combined with those of Clarendon at the new Swindon site. Clarendon and Amfast together now form a single fastener products group supplying principally to the Aerospace and Motorsport markets in Europe, but also with potential to expand into other industrial sectors and geographies.

Early in the year, the acquisition was completed of Rayquick, a small German distributor focused on the Energy market in Germany. Rayquick was successfully integrated into Sommer and has helped Sommer to secure its appointment as a German Master Distributor for its key energy products supplier. Sommer and Rayquick are now well positioned to benefit when a more normal cycle resumes in the repair and refurbishment of the local transmission networks.

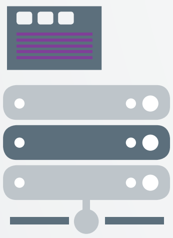
The ***Fluid Control*** businesses account for ca. 30% of Controls revenues and supply a range of fluid control products used broadly in the Food and Beverage industry. Products are used in a range of applications including food retailing and transportation, catering equipment, vending machines, coffee brewing, pure water and water cooling systems.

The Hawco group businesses faced significant headwinds this year in challenging market conditions in the UK. Major food retailers continued to focus on smaller convenience stores which require less Hawco equipment and commercial catering equipment customers were overstocked with surplus equipment after the Olympics in London. There were also slowdowns in demand from a number of Abbeychart's vending, water filter and catering customers, but the coffee brewing sector remained buoyant.

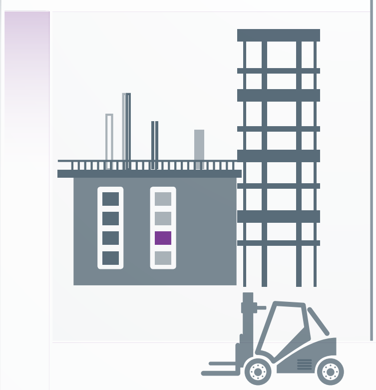
During the year, the Hawco group made a significant investment in a new ERP system, which was successfully implemented at Hawco's operations in Guildford and Bolton and which will be rolled out to Abbeychart in 2014. This investment will provide the Fluid Controls businesses with a solid modern platform to support future growth.

Modern and Expanded Facilities

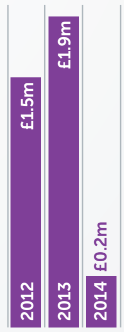
Improved layout and process flow in warehouse = increased operational efficiency



Improved office and technical environment



Total cash investment



Total cash investment

£3.6m

40%

Increased capacity in five new facilities

The new facilities give improved efficiency, increased capacity and a better working environment.

All Seals and RT Dygert in the US, IS-Rayfast in the UK and Vantage in Canada have moved to modern and expanded facilities.

Scope of facility investment programme

The Investment for Growth programme includes a total of £3.6m for investment in modern and expanded facilities for several of the Group's businesses. The facilities are a combination of office and warehouse space, often with laboratory and service facilities. By the end of 2013, four of the five planned relocations had been completed in the UK, US and Canada, with the final one completed in Canada in October 2013. All moves have been successfully completed with minimal disruption to the businesses.

Planned benefits from investments

The new facilities have been designed to provide significantly improved operational efficiency in the warehouses through better layout and process flow. The office, laboratory and service facilities also provide a better working environment and give the appropriate technically biased image for customer and supplier visits. Finally and very importantly, the new facilities provide a substantial capacity increase to support future growth. The new facilities give an extra 40% of useable space (additional 37,000 sq ft), which due to the improved operational efficiencies will give an effective increase in capacity of well over 60% for these businesses.

Facility relocations completed

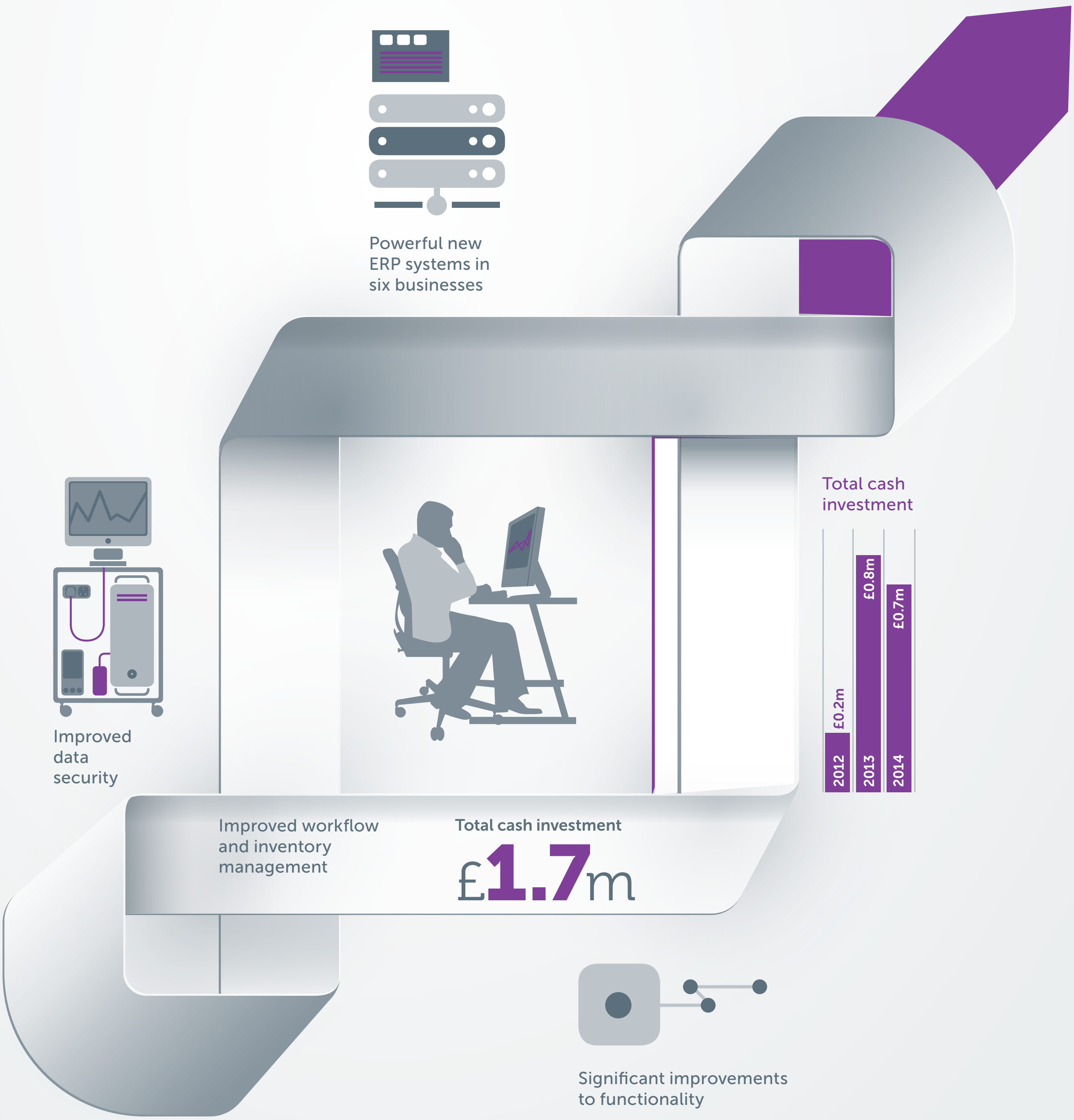
In 2012, two of the Industrial OEM Seal businesses in the US moved to new facilities close to their existing locations. RT Dygert consolidated its Minneapolis and Chicago warehousing and office operations into a single modern facility in Minneapolis, while retaining a sales office in Chicago. All Seals moved into a larger and more appropriate facility in Lake Forest, California within 20 miles of its former Orange County location.

In the first quarter of this year, Vantage, the Canadian Healthcare business relocated its operations to a new facility close to its existing location in Markham, Ontario. Vantage had been formed in the previous year by combining two existing DHG businesses and was operating in an old facility with significant capacity constraints. Vantage is now operating from a modern facility with good office and warehouse capacity and impressive laboratory and service facilities.

Again in the first quarter, the Controls business IS-Rayfast completed its relocation from the site it had occupied since 1992 into a newly refurbished facility nearby in Swindon. The facility accommodates the core IS-Rayfast business and also acts as the central management and operational hub for the IS-Group businesses in the UK. After the year end, the Hercules Seals business in Barrie, Ontario completed a move to a new custom built facility close to its existing location.

Investment for Growth

Powerful ERP Systems



New ERP systems give improved efficiency and better functionality and facilitate synergies between the businesses.

New ERP systems have been implemented in M Seals, Hawco and a1-envirosciences and are currently being rolled out across the Canadian Healthcare businesses.

Scope of ERP investment programme

The Investment for Growth programme includes a total of £1.7m for investment in powerful and efficient new ERP systems for several of the Group's businesses. By the end of 2013, three of the installations had been successfully completed, with the systems fully up and running and with minimal disruption to the businesses. A major new project had also been initiated to roll out a common system across the Canadian Healthcare businesses; this project started in 2013 and is scheduled to be completed in 2014.

In general, acquisitions join the Group with their own legacy IT systems which are often ageing, highly customised and poorly supported. Once the acquisition is well settled in to the Group and we have clear views on its business requirements and linkages with other Group businesses, we look to invest in new IT capabilities. There is not a single ERP system that suits all the businesses across the Group, but our guiding strategy is to move over time towards common IT systems where possible within Sectors or sub-Sectors.

Planned benefits from investments

The benefits from investing in powerful new ERP systems come from improved efficiency and workflow and inventory management. There are also significant improvements to functionality with less reliance on spreadsheets and improved data security. Finally, the common systems within a Sector or sub-Sector allow businesses to exploit synergy opportunities in terms of cross-selling, joint purchasing and common back-office functions for finance and administration.

ERP systems completed and planned

During 2013, a powerful new ERP system was implemented by M Seals across its locations in Denmark, Sweden and China. This will provide a solid platform for growth and facilitate more efficient management of inventory across the three country locations. The a1-envirosciences business in Germany and Hawco in the UK, also invested in new ERP systems. The Hawco system will be rolled out to Abbeychart in 2014 and will provide the Fluid Controls Group with a solid modern platform to support future growth.

A major new ERP project has also been initiated by the DHG Healthcare businesses in Canada, with implementation starting in Somagen during the second half of 2013 and plans to roll out the system across the other businesses through the 2014 financial year.

Additional Management Resources

Additional senior management resources give the strong leadership required to extend the businesses and develop acquisitions.

Senior managers have been added at the Group level and in the major businesses to strengthen corporate and business development and regional management.

Scope of investment in senior managers

The Investment for Growth programme includes additional senior managers at the Group level and in the major businesses to strengthen the corporate development resource. These managers are all now in place and have added ca. £1.1m to annual operating costs this year. Outside the Investment for Growth programme there has also been further investment within the businesses to strengthen sales and new business development resources and in regional management. These additional resources are designed to give the strong leadership required in extending the businesses into new areas and in developing acquisition opportunities.

Strengthening of corporate development

With the investments made this year in strengthening the corporate development resources, the scope of the Group's acquisition programme has broadened into Asia Pacific and other new and emerging markets and the acquisition pipeline has strengthened. The management resources are now in place to complete transactions efficiently in an improving acquisition environment and to ensure the pipeline remains full.

Strengthening of sales and business development

In several of the Group's businesses, strategies have been designed to expand the business base and reduce reliance on a small number of core customers and/or suppliers. The Industrial OEM Seals business in the US has been created over a five year period by the acquisition of a number of regionally focused businesses with strong core customer relationships. Having clearly defined regional responsibilities, the businesses have now made significant investments during 2013 in additional sales and technical resources to broaden their customer bases, add new products and move up the value chain. In Healthcare, investment has also been made in a new Minimally Invasive ("MI") Surgery division within AMT, with its own sales and technical team to broaden the business base by focusing on growing markets for devices used in MI Surgery.

Strengthening of regional management

During the year, senior management was strengthened at country level in Australia to manage the Healthcare businesses which have been acquired over the last 2–3 years and to manage the next stages of the growth strategy. The BGS operations and back office functions have been successfully integrated into the DSL facility in Melbourne and a new central services group has been formed. In the Seals business in Europe, FPE took responsibility for the Hercules Europe operation in the Netherlands and management is being strengthened to develop a more substantial unified European Aftermarket group.

Directors and Advisors

John Rennocks[1, 3]

Chairman

Appointed:
Joined the Board in July 2002 and appointed Chairman in January 2004.

Skills and experience:
John is a Chartered Accountant with over 41 years of experience in commerce and industry, including nearly 20 years as the Finance Director of FTSE 100 companies. He has been a non-Executive Director of many companies in the past 18 years, including as Chairman of six other public or private companies across several industrial or support service sectors.

External appointments:
John is currently non-Executive Director of GreenKo Group PLC, Chairman of Bluefield Solar Income Fund Ltd and Deputy Chairman of Inmarsat plc.

Bruce Thompson

Chief Executive Officer

Appointed:
Joined the Board in 1994 as a Group Director and appointed Chief Executive Officer in 1996.

Skills and experience:
Bruce started his career in the automotive industry, first as a design engineer and then in product marketing. He then spent three years in international marketing with a construction materials company, developing new markets in Europe, the Middle East and North Africa. Prior to joining Diploma, he was a Director with Arthur D Little Inc., the technology and management consulting firm, initially in the UK and then as Director of the firm's Technology Management Practice based in Cambridge, Massachusetts.

External appointments:
None.

Marie-Louise Clayton[1,2,3]

Non-Executive Director

Appointed:
Joined the Board in November 2012 and appointed Chairman, Audit Committee March 2013.

Skills and experience:
Marie-Louise is a Chartered Certified Accountant with some 30 years experience in commerce and industry, who has held senior positions in Alstom (formerly, Alsthom GEC) and was previously Group Finance Director of Venture Production PLC. She has also been a non-Executive Director of Forth Ports PLC and Ocean Rig ASA.

External appointments:
Marie-Louise is Chairman of the Audit Committee and a non-Executive Director of Zotefoams plc. Marie-Louise is also a non-Executive Director of Independent Oil and Gas plc and of two private companies.

Nigel Lingwood

Group Finance Director

Appointed:
Joined the Company in June 2001 and appointed Group Finance Director in July 2001.

Skills and experience:
Prior to joining the Company, Nigel was the Group Financial Controller at Unigate PLC where he gained experience of working in a large multi-national environment and on a number of large corporate transactions. Nigel qualified as a Chartered Accountant with Price Waterhouse, London.

External appointments:
None.

John Nicholas[1,2,3]

Senior Independent Non-Executive Director

Appointed:
Joined the Board in June 2013 and appointed Chairman, Remuneration Committee in July 2013.

Skills and experience:
A Chartered Certified Accountant with a Masters degree in Business Administration from Kingston University. John has a wealth of business and commercial experience and spent much of his early career in technology-focused international manufacturing and service companies involved in analytical instruments, fire protection and food processing.

He has been Group Finance Director of Kidde plc (on its demerger from Williams Holdings) and of Tate & Lyle PLC.

External appointments:
John is currently non-Executive Director and Chairman of the Audit Committees of Mondi plc, Hunting PLC and Rotork plc. John is also a member of the Financial Reporting Review Panel.

Iain Henderson

Chief Operating Officer

Appointed:
Joined the Board as a Director in 1998 and appointed Chief Operating Officer in 2005.

Skills and experience:
Iain qualified as a Chartered Management Accountant and began his career in the food industry, progressing to be an operations general manager with H J Heinz. Since 1988, Iain has specialised in the acquisition and development of small to medium sized enterprises within group structures. This was firstly within the privately owned Bricom MBO, where he ran ANC Holdings and from 1994 in a public company environment as a Director of Glenchewton plc.

External appointments:
None.

Charles Packshaw[1,2,3]

Non-Executive Director

Appointed:
Joined the Board in June 2013.

Skills and experience:
Charles is Head of UK Advisory and Managing Director in HSBC's global banking business. With 30 years City experience, including 18 years at Lazard in London, where he was Head of Corporate Finance, prior to joining HSBC in 2002. Charles has been a non-Executive Director of two listed companies and he is also a Chartered Engineer.

External appointments:
None.

Auditor
Deloitte LLP
2 New Street Square
London EC4A 3BZ

Solicitors
Ashurst LLP
Broadwalk House
5 Appold Street
London EC2A 2HA

Bankers
Barclays Bank PLC
1 Churchill Place
London E14 5HP

HSBC Bank plc
City Corporate Banking Centre
60 Queen Victoria Street
London EC4N 4TR

Investment Bankers
Lazard
50 Stratton Street
London W1J 8LL

Corporate Stockbrokers
Numis Securities
10 Paternoster Square
London EC4M 7LT

Member of:
1 the Remuneration Committee
2 the Audit Committee
3 the Nomination Committee

Sector Review

Life Sciences

33% of revenues

Geography[1]
71% Canada
16% Europe
13% ROW

Customers
84% Clinical
9% Utilities
4% Chemical & Petrochemical
2% Life Sciences Research
1% Other Life Sciences

Products
68% Consumables
25% Instrumentation
7% Service

319 employees worldwide

Seals

37% of revenues

Geography[1]
76% North America
13% Europe
11% ROW

Customers
45% Industrial OEMs
37% Heavy Construction
7% Other Industrial
6% Industrial Aftermarket
3% Dump & Refuse Trucks
2% Logging & Agriculture

Products
53% Seals & Seal Kits
16% O-rings
12% Gaskets
11% Attachment Kits
8% Cylinders & Other

513 employees worldwide

Controls

30% of revenues

Geography[1]
58% UK
34% Continental Europe
8% ROW

Customers
29% Aerospace & Defence
25% Industrial
20% Food & Beverage
14% Motorsport
7% Energy & Utilities
5% Medical & Scientific

Products
42% Wire & Cable
15% Control Devices
14% Connectors
13% Fasteners
10% Equipment & Components
6% Other Controls

300 employees worldwide

Geography

North America

53% of revenues[1]

27% US
26% Canada

Europe

38% of revenues[1]

22% UK
16% Continental Europe

Rest of World

9% of revenues[1]

1 By destination.

Five Year Record

Year ended 30 September	**2013 £m**	2012 £m	2011 £m	2010 £m	2009 £m
Revenue	**285.5**	260.2	230.6	183.5	160.0
Adjusted operating profit	**54.3**	52.8	45.2	32.1	25.6
Adjusted profit before tax	**54.3**	52.6	44.9	32.2	25.5
Fixed assets	**14.7**	13.0	11.4	11.7	12.4
Working capital	**47.6**	43.8	36.0	27.2	29.4
Trading capital employed	**62.3**	56.8	47.4	38.9	41.8
Goodwill and intangible assets	**95.2**	101.9	92.8	83.4	74.3
Investment	**0.7**	0.7	–	–	–
Trading capital employed (inc. goodwill)	**158.2**	159.4	140.2	122.3	116.1
Net cash funds	**19.3**	7.9	12.2	30.1	21.3
Other assets/(liabilities), net	**0.8**	(0.1)	(0.5)	(13.2)	(13.3)
Net assets	**178.3**	167.2	151.9	139.2	124.1
Cash flow from operating activities	**55.9**	50.2	40.3	34.3	34.2
Free cash flow	**31.6**	32.7	25.0	29.8	23.5
Acquisition expenditure	**(2.2)**	(22.3)	(28.2)	(11.0)	(12.2)

	Pence	Pence	Pence	Pence	Pence
Adjusted earnings per share	**34.8**	33.1	27.9	18.9	14.8
Dividends per share	**15.7**	14.4	12.0	9.0	7.8
Net assets per share	**157.5**	147.7	145.4	122.9	109.6

	%	%	%	%	%
Operating margin	**19.0**	20.3	19.6	17.5	16.0
Working capital as % of revenue	**16.7**	16.5	16.1	15.4	17.6
Return on trading capital employed	**25.8**	26.6	25.4	22.1	19.0

The information above has been extracted from the audited Annual Report & Accounts of Diploma PLC and does not constitute statutory information.
Diploma PLC uses alternative performance measures as key performance indicators to assess the underlying performance of the Group. These include adjusted operating profit, adjusted profit before tax, adjusted earnings per share and free cash flow, as explained in note 2 to the consolidated financial statements in the Annual Report & Accounts.

Financial Calendar and Shareholder Information

Announcements (provisional dates):

First Interim Management Statement released	15 January 2014
Annual General Meeting (2013)	15 January 2014
Half Year Results announced	12 May 2014
Second Interim Management Statement released	30 July 2014
Preliminary Results announced	17 November 2014
Annual Report posted to shareholders	4 December 2014
Annual General Meeting (2014)	14 January 2015

Dividends (provisional dates):

Interim announced	12 May 2014
Paid	18 June 2014
Final announced	17 November 2014
Paid (if approved)	21 January 2015

Annual Report & Accounts:
Copies can be obtained from the Group Company Secretary at the address shown below.

Share Registrar – Computershare Investor Services PLC:
The Company's Registrar is Computershare Investor Services PLC, The Pavilions, Bridgwater Road, Bristol BS99 6ZZ. Telephone: 0870 7020010. Their website for shareholder enquiries is www.computershare.co.uk

Shareholders' enquiries:
If you have any enquiry about the Company's business or about something affecting you as a shareholder (other than questions dealt with by Computershare Investor Services PLC) you are invited to contact the Group Company Secretary at the address shown below.

Secretary and Registered Office:
AJ Gallagher FCIS, Solicitor,
12 Charterhouse Square, London
EC1M 6AX.
Telephone: 020 7549 5700.
Fax: 020 7549 5715.
Registered in England and Wales, number 3899848.

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