

4 June 2008

PRELIMINARY RESULTS FOR THE YEAR ENDED 31 MARCH 2008

RESULTS AHEAD OF EXPECTATIONS; PBT UP 48%

Hampson Industries PLC (“Hampson” or “the Group”), the international aerospace and specialist engineering group, announces preliminary results for the year ended 31 March 2008:

Corporate highlights

- Transformational acquisition of Odyssey Industries, Inc. and Global Tooling Systems, Inc. for an initial consideration of US\$253m
- Hampson becomes a global leader in aerospace composite tooling
- High calibre board appointments of Chris Geoghegan as non-executive chairman and Stephen Henwood as non-executive director reflecting the progressive repositioning of Hampson’s business
- New contract wins in aerospace and automotive
- Disposal of Lattimer Ltd and I.S. Parts International, Inc., exiting from the Industrial division, in June 2007

Financial highlights

	2008	2007	Change %
Revenue	£157.9m	£138.0m	+14
Trading Profit*	£22.4m	£16.4m	+36
Operating Profit	£18.2m	£12.4m	+46
Profit Before Tax*	£17.0m	£11.3m	+50
Profit Before Tax – statutory basis	£9.2m	£6.2m	+48
Earnings per Share*	12.96p	7.98p	+62
Earnings per Share – statutory basis	7.18p	3.95p	+82
Dividend per Share – total (interim & proposed final)	2.00p	0.90p	+122
Cash generated from operations	£20.6m	£18.7m	+10
Net Debt	£60.6m	£66.8m	

**Trading profit, profit before tax and earnings per share are all adjusted to reflect the continuing operations of the Group before restructuring and rationalisation charges, impairment charges, changes in the net fair value of financial instruments and amortisation of intangible assets on acquisition.*

The preliminary results have been translated in sterling using the following rates of exchange:

	2008	2007
Sterling to US Dollar (GBP 1 = USD):		
Average for period	2.01	1.89
Period end	2.00	1.97

Commenting on the year, Chairman Chris Geoghegan, said: *“In my first statement as Chairman, I am pleased to report that the year ended 31 March 2008 has seen further strong growth in earnings. Demand conditions in our core markets are buoyant and are expected to remain so for the foreseeable future. Against this background, we look forward to a bright future; another year of positive progress for Hampson in 2008/09, and increased long term value for our shareholders.”*

An analyst meeting will be held at 10.00am on Wednesday 4 June, at the offices of Investec, 2 Gresham Street, London EC2V 7QP.

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Chairman's Statement

Growth & Performance

In my first statement as Chairman, I am pleased to report that the year ended 31 March 2008 has seen further strong growth in earnings. As a result, the Board is pleased to recommend an increased final dividend, more than doubling the previous year's total payout.

Trading profit from continuing operations (defined as operating profit before restructuring and rationalisation charges, impairment charges, changes in the net fair value of financial instruments and amortisation of intangible assets on acquisition) increased by 36% to £22.4 million in the year. Operating profit increased by 46% to £18.2 million in the year. Total earnings per share from continuing operations on a statutory basis increased by 82% to 7.2p.

The strategy we have been pursuing has a double focus: to invest our capital to deliver growth at attractive rates of return and to improve operational effectiveness.

Over the last three years, we have grown both organically and through acquisitions. Our acquisition strategy has been carefully targeted at niche aerospace engineering businesses, with high margin potential in market sectors with a strong growth outlook.

Since 2004, we have acquired six businesses in North America that have strengthened the Group and have positioned us to benefit from the increasing trend in the use of advanced carbon composite materials in the commercial and military aerospace sectors. Composites Horizons Inc., which we acquired in January 2007, has performed particularly strongly in 2007/08 and in its first full year of ownership has continued to exceed our pre-acquisition expectations.

On 2 May 2008, we announced an agreement to acquire Odyssey Industries, Inc. ("Odyssey") and Global Tooling Systems, Inc. ("GTS") for an initial consideration of US\$ 253.3 million. Odyssey and GTS are amongst the world's leading suppliers of integrated, large, close tolerance tooling systems, and together with our existing tooling business, Coast Composites, will provide us with a global leadership position in this market and a strong platform for growth. We are very pleased that as part of this transaction, the vendor of Odyssey and GTS, Mr Randy Bellestri, will become a significant shareholder in the enlarged Hampson group, resulting in an alignment of interests that we believe will lead to further long term benefit for all of our shareholders.

These acquisitions mark the latest stages in the repositioning of Hampson to achieve higher performance levels and follow the disposal of Lattimer Ltd and I.S. Parts International, Inc., Hampson's Industrial division, in June 2007.

Our focus on operational improvement has been equally unremitting in 2007/08. In spite of the effects of a weaker dollar, all our aerospace businesses have generated improved results in the year and we continue to take all necessary steps to fully embrace lean principles, improve our processes and strengthen our teams. 2008/09 will see the continuation of a number of important initiatives aimed at further unlocking the full performance potential of our businesses.

Our Automotive Turbocharger division has also benefitted from focused operational improvement actions. We have turned around a first half loss to finish the year in profit and have secured two new long term agreements worth in aggregate £19 million that will underpin further growth in the years ahead.

The Board

2007/08 has seen a number of changes to the Board. I should like to place on record my thanks to my predecessor, Tony Gilroy, who served the Board with distinction for over five years. It was also with pleasure that we recently welcomed Stephen Henwood to the Board as a Non-Executive Director.

Results

Profit before tax on an adjusted basis (i.e. before restructuring and rationalisation charges, impairment charges, changes in the net fair value of financial instruments and amortisation of intangible assets on acquisition) was £17.0 million, an increase of £5.7 million (50%) compared to 2006/7. Profit before tax on a statutory basis increased by 48% to £9.2 million.

EPS on an adjusted basis increased by 5.0p (62%) to 13.0p. EPS from continuing operations on a statutory basis increased by 3.2p (82%) to 7.2p.

Dividend

The Board is pleased to recommend that a final dividend of 1.5p per share be paid on 3 October 2008, to shareholders on the register at 5 September 2008. This will bring the full year payout to 2.0p per share (2006/07: 0.9p). The proposed dividend is covered 3.6 times by statutory earnings per share. It is the Board's current intention that subject always to prevailing market conditions, a progressive dividend policy will be maintained going forward.

Outlook

Demand conditions in our core markets are buoyant and are expected to remain so for the directly foreseeable future. With the acquisitions of Odyssey and GTS, over 50% of our revenue going forward will be derived directly or indirectly from the use of carbon composite materials in aerospace, in respect of which strong growth in demand is projected over the long term. Against this background, we look forward to a bright future, another year of positive progress for Hampson in 2008/09, and increased long term value creation for our shareholders.

Chris Geoghegan

Chairman
4 June 2008

Chief Executive's Statement

A year of tremendous achievement

2007/8 has been another very successful year for Hampson. We have generated record earnings, our order books are strong and our recent acquisitions have left us strategically very well positioned for the future.

Revenue for the Group has more than doubled over the last three years, equivalent to a compound annual growth rate of almost 27%. Trading profit over the same three year period has increased almost seven-fold. Even more important has been the progressive repositioning of our business within sectors that offer potential for higher growth and improved returns. This provides us with confidence in the sustainability of our performance and the strength of the future outlook for the Group.

The year ended 31 March 2008 saw the realisation of our exit from the market for glass bottle manufacturing equipment. The former Precision Industrial division was divested in June 2007, endorsing our determination to focus uniquely on markets which are core to our growth strategy and in which we can secure competitive advantage.

Aerospace

Following shareholder approval on 3 June 2008, we will complete the acquisitions of Odyssey & GTS on 9 June. We will then hold global leadership positions in three sectors; two of which are in our core aerospace markets:

- The design and manufacture of large, close tolerance tooling systems, critical in the production of the latest generation of lighter, fuel efficient, carbon composite-rich aircraft. Programmes like the Boeing 787, the Airbus A350 and other new generation airframes across the general aviation, commercial and military aerospace markets are setting the standard for the future in terms of carbon composite use.
- The manufacture of laminated and solid shims, essential components in aircraft production.

These positions of true global strength, together with our other leading technologies in advanced composites, transparencies, high speed machining, fabrication and assembly leave us very well positioned to continue to benefit from buoyant demand conditions in the global aerospace markets.

For the year ended 31 March 2008, all of our aerospace operations performed very strongly. Aerospace Components & Structures increased revenue and trading profit by £8.8 million (11%) and £1.7 million (15%), respectively, with ongoing strong focus on operational improvement initiatives. Aerospace Composites & Transparencies grew revenue and trading profit by £9.4 million (26%) and £3.3 million (50%), respectively, reflecting a strong full year's contribution from CHI, which exceeded our pre-acquisition expectations.

Automotive

Our Automotive Turbocharger business is also a world leader in a market which continues to grow as a result of the need for improved fuel efficiency and reduced vehicle emissions. The securing of two major contracts to provide high precision shaft & wheel assemblies to premium sector passenger vehicles, representing an aggregate £19 million in revenue, will contribute to a continuation of that growth going forward.

After a challenging start to the year, our UK automotive turbocharger plant returned to profit in the second half. We are now starting to see the positive results of recent investment in the latest machine tool technology in terms of both improved capacity and efficiency. In addition we significantly strengthened our divisional management team, with tangible improvement in business performance. Our plant in India did not achieve the volumes necessary to break even this year but production continues to increase, which we expect will lead to improved results in 2008/09.

Operations

Operational improvement is one of the two key focuses of our core business strategy and we continue to promote and drive lean initiatives across the Group. We constantly implement incremental improvements in our businesses and we have set ourselves challenging targets for 2008/09 and beyond. The continued roll-out of SAP business process management systems across our larger sites will be a key component of our drive for increased efficiency.

2007/08 saw improved cash generation from operations. After several years of significant investment as we have positioned for growth, total capital expenditure for the year of £8.2 million was £7.6 million (48%) lower than in 2006/07, and £4.9 million (37%) lower than in 2005/06.

People

We recognise that our employees are our most valuable assets. Investing in their continuing training to provide new skills, to nurture and develop talent and to foster a strong sense of entrepreneurship, is therefore one of our key priorities. In 2007/08 we established a close working partnership with the prestigious Henley Management College to provide a tailored programme of education and learning for our executive teams from the UK, North America and India. This initiative, a first for Hampson, is designed to challenge our people and to equip them with fresh insight and the means to develop real, sustainable competitive advantage for our businesses, worldwide.

The successes we have achieved in 2007/08 are again due to the collective efforts of our employees. I would like to thank all of them for their personal contribution and commitment.

I would also like to welcome Randy Bellestri and the management and employees of Odyssey and GTS to the Group. We very much look forward to moving ahead as one team, with a common vision and shared goals for success.

Outlook

The global aerospace markets remain buoyant. The order intake level for Boeing and Airbus from the start of the current calendar year to 31 March 2008 was a record for a first quarter in any year. Backlog positions for both airframe and aero engine manufacturers currently remain at very high levels and we continue to expect production levels to rise in 2008/09 as a result.

The market for aerospace composites continues to grow, and independent analysis suggests that, even without the underlying growth in the aero structures market that is currently projected, demand for composite structures would grow at a double digit rate over the next ten years driven by the need for lighter, stronger airframes resulting in greater fuel efficiency.

With our enhanced capabilities in composite component manufacture, and our global leadership position in the market for tooling systems for composite aero structures, we have confidence in the future growth potential of our aerospace businesses and in a positive outlook for the Group.

The continuing penetration of 'clean diesel' engines in light vehicles and the growing use of turbochargers with direct injection petrol engines in the global passenger car markets is expected to result in growing long term demand for our products. Given these trends, together with continuing efficiency improvement in our plants in both the UK and India we expect strong future performance from this division.

We have confidence that, at a group level, the strong strategic foundations we have established in recent years will support our operational development to deliver further positive progress in 2008/09 and the years beyond.

Kim Ward

Chief Executive

4 June 2008

Group Financial Review

Revenue - £158 million (2006/07: £138 million)

At average actual rates of exchange, revenue from continuing operations of the Group, at £157.9 million, increased by £19.9 million (14%) in the year ended 31 March 2008. £10.1 million was due to the full year's impact of CHI which was acquired in January 2007. Excluding this impact, revenues from existing businesses grew by 9%, largely reflecting continuing buoyant demand conditions in the global aerospace markets.

In constant currency terms, revenue would have increased by £24.1 million (17%) compared with the prior year, to £162.1 million.

Aerospace revenues, at £135.0 million on a combined basis, were £18.2 million (16%) higher than in the previous year, despite the weakening of the USD against the GBP. The largest increase in revenues was in the Aerospace Composites and Transparencies division, where revenue increased by £9.4 million (26%) to £46.0 million.

Automotive Turbocharger revenue, at £22.9 million, improved by £1.7 million (8%) compared to the prior year. This marks the sixth successive year of increase for the division. Increasing fitment of turbochargers to light vehicles for improved fuel efficiency and tightening fuel emission standards for both heavy commercial diesel and light vehicles is a principal driver of this demand.

Trading Profit* - £22.4 million (2006/07: £16.4 million)

At £22.4 million trading profit from continuing operations for the year ended 31 March 2008 marked a record level for the Group, representing an increase of 36% compared with the prior year. Profits earned in US dollars were translated into sterling at an average rate of GBP1 = USD2.01 for the year ended 31 March 2008, compared with a rate of GBP1 = USD1.89 in 2006/07. In constant currency terms, trading profit would have been £0.9 million higher, at £23.3 million, an increase of £6.9 million (42%) compared with the prior year.

The Group's aerospace operations continued to benefit from increasing build rates across most major programmes and the impact of ongoing improvement activities at a number of sites. The impact in 2007/08 of including a full year's results of CHI was £2.5 million.

Trading profit generated by the Automotive Turbocharger division was £0.2 million lower than in the previous year, primarily due to excess costs incurred in the first half associated with prototyping and new product introductions.

**Trading Profit is defined as Operating Profit before restructuring and rationalisation charges, impairment charges, changes in the net fair value of financial instruments and amortisation of intangible assets on acquisition. The Board considers that this additional measure of profit provides the best view of the underlying trading performance of the Group and that it is therefore helpful to highlight it accordingly.*

Restructuring and rationalisation charges - £(2.3) million (2006/07: £(1.1) million)

Restructuring and rationalisation charges of £2.3 million were incurred during the year. £2.0 million were incurred by the Aerospace Components and Structures division and £0.2 million by the Automotive Turbocharger division as part of reorganisational changes to the business.

Impairment charges - £(0.4) million (2006/07: £(2.1) million)

During the year ended 31 March 2008, the Group recognised total impairment charges of £0.4 million.

Amortisation of intangible assets on acquisition – £(0.7) million (2006/07: £(0.7) million)

£0.7 million of amortisation was charged in 2007/08 against separable intangible assets recognised in respect of acquisitions made in previous periods.

Changes in the net fair value of financial instruments - £(4.4) million (2006/07: £(1.3) million)

The Group enters into forward foreign contracts, interest rate swaps and other derivative financial instruments to hedge its transactional and strategic exposures to interest rate and foreign exchange fluctuations. At 31 March 2008, the net fair value of such instruments was a liability of £5.4 million compared with a liability of £0.9 million in the prior year. The movement relates to a combination of changes in hedging instruments during the year and movements in market rates of interest and other data used to value such instruments between balance sheet dates.

The Group has not applied hedge accounting in the year ended 31 March 2008 and hence the movement on the net fair values between the two balance sheet dates has been taken to the Income Statement. This has been shown as a separate component of operating profit and total interest cost for the year.

Operating Profit - £18.2 million (2006/07: £12.4 million)

Operating profit for the year ended 31 March 2008 was £18.2 million, a £5.7 million (46%) increase compared with the previous year. The principal underlying movements were an increase in trading profit of £6.0 million, an increase in restructuring and rationalisation charges of £1.2 million, a decrease in impairment charges of £1.7 million, and a higher charge in relation to the net fair value of non-interest financial instruments of £0.7 million.

Other net interest payable - £(5.3) million (2006/07: £(5.0) million)

Excluding charges in relation to the net fair value of fixed-income financial instruments, other net interest payable increased by £0.3 million due primarily to increases in underlying LIBOR rates during the year ended 31 March 2008.

Profit before taxation - £9.2 million (2006/07: £6.2 million)

Profit before tax excluding exceptional items, the amortisation of non-operating intangible assets and changes in the net fair value of financial instruments increased by £5.7 million (50%) for the year ended 31 March 2008. After taking account of these items, profit before tax increased by £3.0 million.

Taxation - £(2.3) million (2006/07: £(2.7) million)

The total tax charge for the year of £2.3 million represented an effective rate of 26% on profit before tax (2006/07: 43%). The effective rate is influenced by the relative geographic mix of the Group's profits as between the UK, with a headline corporation tax rate of 30%, and North America, with an average federal and state tax rate of approximately 40%. For the year ended 31 March 2008, the tax rate benefited from enhanced tax relief on research and development expenditure incurred in prior years but not previously claimed as well as the recognition of tax relief on foreign exchange losses arising in previous periods.

Earnings per share

Basic earnings per share from continuing operations were 7.18p (2006/07: 3.95p). Before exceptional items, the amortisation of non-operating intangible assets and changes in the net fair value of financial instruments, the equivalent figure was 12.96p, an increase of 4.98p (62%) compared with the prior year.

Proposed Dividend

The Board is recommending that a final dividend of 1.5p per share be paid to shareholders on or around 3 October 2008. The proposed dividend is covered 3.6 times by statutory earnings per share from continuing operations.

Cash flow

Cash flow from operations increased by £1.9 million, reflecting the growth in trading profit in the year after taking account of working capital requirements and the disposal of the Industrial division of the Group. Continued capital investment in our business resulted in £5.8 million being invested in continuing activities. Over the year there was a £11.5 million improvement in cash of £21.8 million.

Net Borrowings

Net borrowings of the Group decreased by £6.2 million to £60.6 million as at 31 March 2008. The ratio of borrowings to shareholders' equity ("gearing") decreased by 11 percentage points to 75%.

Pensions and post employment obligations

The Group has been carefully and prudently managing its exposure to liabilities arising under defined benefit arrangements for a number of years. The single defined benefit pension arrangement now in existence has been closed to further accrual since before May 2000 and represents a consolidation of a number of separate previous schemes with effect from 1 April 2007. The total number of members in the combined scheme fell from 146 to 141 during the year ended 31 March 2008. The aggregate gross deficit also fell, by £0.4 million resulting in a surplus of £0.2 million, despite increases in the assumed rate of inflation from 2.5% to 3.5% and increased mortality assumptions. The primary reason for the elimination of the deficit relates to the level of cash contributed in the year and the increase in long term bond yields, from which the rate used to discount the scheme liabilities is derived. The Group has not recognised the resultant pension asset given both current uncertainty in global financial markets and also recently issued IFRIC guidance on the recognition of pension scheme assets. In light of these factors, the directors have not recognised the surplus arising in the defined benefit scheme of the Group at this time. There was no movement in the year in the actuarially-assessed obligation under the Group's single US post retirement healthcare scheme, which stood at £0.4 million before taking account of deferred tax.

Shareholders' equity

Equity attributable to shareholders of the parent increased overall by £3.1 million during the year, standing at £80.9 million at 31 March 2008. The main elements of the movement during the year were the addition of retained earnings of £5.3m, payment of dividends of £1.3m, adverse foreign exchange differences on retranslation of the Group's US Dollar denominated net assets of £0.8m and a small net actuarial loss on the Group's post employment defined benefit scheme.

Cautionary Statement

This news release contains forward looking statements which are made in good faith based on the information available at the time of their approval. It is believed that the expectations reflected in these statements are reasonable but they may be affected by a number of risks and uncertainties that are inherent in any forward looking statement which could cause actual results to differ materially from those currently anticipated.

**Consolidated Income Statement
For the year ended 31 March**

	2008	2008	2008
	Before exceptional items, re-measurements and amortisation of intangibles* £'000	Exceptional items, re-measurements and amortisation of intangibles* £'000	Total £'000
Continuing operations			
Revenue	157,946	-	157,946
Operating profit	22,366	(4,194)	18,172
Analysed as:			
Trading profit	22,366	-	22,366
Restructuring and rationalisation charges	-	(2,309)	(2,309)
Impairment charges	-	(392)	(392)
Changes in net fair value of derivative financial instruments – non interest instruments	-	(775)	(775)
Amortisation of intangible assets on acquisition	-	(718)	(718)
Financial income	1,960	-	1,960
Financial expense	(7,279)	-	(7,279)
Changes in net fair value of derivative financial instruments – interest instruments	-	(3,670)	(3,670)
Profit before taxation	17,047	(7,864)	9,183
Taxation			(2,349)
Profit after taxation			6,834
Discontinued operations			
Post tax results from discontinued operations			(1,542)
Profit for the financial year			5,292
Attributable to:			
- Equity shareholders of the parent company			5,292
- Minority interests			-
			5,292
Dividends per 25p ordinary share			
Interim dividend per share			0.50p
Final dividend per share			1.50p
Earnings per 25p ordinary share			
<i>Continuing Operations:</i>			
Earnings per share before exceptional items, re-measurements and amortisation of intangibles*			12.96p
Basic			7.18p
Diluted			7.14p
<i>Total Operations:</i>			
Basic			5.56p
Diluted			5.53p

* Exceptional items relate to restructuring and rationalisation charges and impairment charges. Re-measurements relate to changes in net fair value of derivative financial instruments required under IAS 39. Amortisation of intangibles relate to amortisation of intangible assets on acquisition required under IFRS 3.

**Consolidated Income Statement
For the year ended 31 March**

	2007**	2007**	2007**
	Before exceptional items, re- measurements and amortisation of intangibles* £'000	Exceptional items, re- measurements and amortisation of intangibles* £'000	Total £'000
Continuing operations			
Revenue	138,020	-	138,020
Operating profit	16,400	(3,968)	12,432
Analysed as:			
Trading profit	16,400	-	16,400
Restructuring and rationalisation charges	-	(1,073)	(1,073)
Impairment charges	-	(2,106)	(2,106)
Changes in net fair value of derivative financial instruments – non interest instruments	-	(110)	(110)
Amortisation of intangible assets on acquisition	-	(679)	(679)
Financial income	935	-	935
Financial expense	(5,990)	-	(5,990)
Changes in net fair value of derivative financial instruments – interest instruments	-	(1,164)	(1,164)
Profit before taxation	11,345	(5,132)	6,213
Taxation			(2,689)
Profit after taxation			3,524
Discontinued operations			
Post tax results from discontinued operations			461
Profit for the financial year			3,985
Attributable to:			
- Equity shareholders of the parent company			3,985
- Minority interests			-
			3,985
Dividends per 25p ordinary share			
Interim dividend per share			0.00p
Final dividend per share			0.90p
Earnings per 25p ordinary share			
<i>Continuing Operations:</i>			
Earnings per share before exceptional items, re-measurements and amortisation of intangibles*			7.98p
Basic			3.95p
Diluted			3.93p
<i>Total Operations:</i>			
Basic			4.47p
Diluted			4.44p

* Exceptional items relate to restructuring and rationalisation charges and impairment charges. Re-measurements relate to changes in net fair value of derivative financial instruments required under IAS 39. Amortisation of intangibles relate to amortisation of intangible assets on acquisition required under IFRS 3.

** Re-presented following the sale of Lattimer Limited and I.S. Parts International Inc. See note 2.

**Consolidated Balance Sheet
As at 31 March**

	2008 £'000	2007 £'000
Assets		
Non-current assets		
Goodwill	61,448	61,600
Intangible assets	21,901	22,476
Property, plant and equipment	40,790	41,305
Deferred tax assets	-	4,877
	124,139	130,258
Current assets		
Inventories	26,762	27,361
Trade and other receivables - due within one year	36,089	35,206
Financial assets - derivatives	-	189
Current tax assets	2,249	563
Cash and cash equivalents	21,774	10,241
	86,874	73,560
Total assets	211,013	203,818
Liabilities		
Current liabilities		
Trade and other payables	(34,950)	(36,787)
Financial liabilities - derivatives	(5,382)	(1,126)
Provisions	(3,048)	(3,073)
	(43,380)	(40,986)
Non-current liabilities		
Financial liabilities - borrowings	(81,055)	(75,568)
Deferred tax liabilities	(5,086)	(8,812)
Provisions	(162)	-
Retirement benefit liabilities	(351)	(583)
	(86,654)	(84,963)
Total liabilities	(130,034)	(125,949)
Net assets	80,979	77,869
Equity		
Called up share capital	23,806	23,806
Reserves	57,094	53,988
Equity attributable to shareholders of the parent	80,900	77,794
Minority interest	79	75
Total equity	80,979	77,869

Consolidated Cash Flow Statement For the years ended 31 March

	2008 £'000	2007 £'000
Cash flows from operating activities		
Cash generated from operations	20,633	18,684
Interest received	1,603	604
Interest paid	(6,582)	(5,506)
Tax paid	(2,749)	(1,571)
Net cash from operating activities	12,905	12,211
Cash flows from investing activities		
Acquisitions – net of cash acquired	(985)	(11,493)
Disposals – net of cash disposed	2,776	30
Purchase of property, plant and equipment	(4,020)	(6,410)
Purchase of intangible assets	(1,170)	(2,045)
Proceeds on sale of property, plant and equipment	722	70
Development costs	(594)	(6,883)
Net cash used in investing activities	(3,271)	(26,731)
Cash flows from financing activities		
Net proceeds from issue of ordinary share capital	-	11,347
New borrowings	5,000	10,500
Dividends paid	(1,333)	-
Finance lease principal payments	(1,522)	(1,449)
Finance lease interest payments	(175)	(191)
Repayments of loans	(58)	(1,914)
Net cash flow used in financing activities	1,912	18,293
Currency variations on cash and cash equivalents	(13)	(308)
Increase in cash and cash equivalents	11,533	3,465
Cash and cash equivalents at the beginning of the period	10,241	6,776
Cash and cash equivalents at the end of the period	21,774	10,241

Statement of Recognised Income and Expense For the years ended 31 March

	2008 £'000	2007 £'000
Foreign exchange translation differences	(805)	(10,362)
Unrecoverable surplus on retirement benefit scheme	(160)	-
Actuarial (losses)/gains on retirement benefit scheme – gross	(203)	304
Deferred taxation related thereto	102	(91)
Net losses recognised directly in equity	(1,066)	(10,149)
Profit for the financial period	5,292	3,985
Total recognised income/(expense) for the year	4,226	(6,164)
Attributable to:		
- Equity shareholders of the parent company	4,226	(6,164)
- Minority interests	-	-
	4,226	(6,164)

NOTES TO THE FINANCIAL STATEMENTS

1. Basis of preparation

The financial information set out within these preliminary results does not constitute the company's statutory accounts for the years ended 31 March 2008 or 2007, but is derived from those accounts. Statutory accounts for 2007 have been delivered to the Registrar of Companies, and those for 2008 will be delivered in due course. On 4 June 2008 the audited results were approved by the Board and the auditors have reported on those accounts; their report was (i) unqualified, (ii) did not include a reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 237(2) or (3) of the Companies Act 1985.

2. Re-presentation of 2007 comparatives for presentation purposes

Due to the disposal of Lattimer Limited and I.S. Parts International Inc. during the year, their results have been classified as a discontinued operation and the 2007 comparatives amended accordingly.

3. Segmental analysis
By primary segment – business group

For the year ended 31 March 2008	Aerospace Components and Structures £'000	Aerospace Composites and Transparencies £'000	Automotive Turbocharger £'000	Industrial £'000	Corporate and Unallocated £'000	Total £'000
Continuing operations:						
Segment revenue	89,058	45,982	22,906	-	-	157,946
Segment trading profit/(loss)	12,658	9,978	1,225	-	(1,495)	22,366
Restructuring and rationalisation charges	(2,002)	-	(237)	-	(70)	(2,309)
Impairment charges	-	-	-	-	(392)	(392)
Changes in fair value of derivative financial instruments	-	-	-	-	(775)	(775)
Amortisation of intangible assets on acquisition	(163)	(555)	-	-	-	(718)
Segment operating profit/(loss)	10,493	9,423	988	-	(2,732)	18,172
Net financing costs	-	-	-	-	(8,989)	(8,989)
Profit/(loss) before taxation	10,493	9,423	988	-	(11,721)	9,183
Taxation	-	-	-	-	(2,349)	(2,349)
Profit/(loss) for the year after taxation	10,493	9,423	988	-	(14,070)	6,834
Discontinued operations:						
Post tax results from discontinued operations	-	-	-	(1,194)	(348)	(1,542)
Profit attributable to minority interests	-	-	-	-	-	-
Net profit/(loss) attributable to equity shareholders	10,493	9,423	988	(1,194)	(14,418)	5,292
Other information:						
Segment assets	79,904	84,215	18,308	-	26,337	208,764
Unallocated assets:						
- Current taxation assets	-	-	-	-	2,249	2,249
- Deferred taxation assets	-	-	-	-	-	-
Total assets	79,904	84,215	18,308	-	28,586	211,013
Segment liabilities	(68,007)	(14,209)	(19,236)	-	(23,496)	(124,948)
Unallocated liabilities:						
- Current taxation liabilities	-	-	-	-	-	-
- Deferred taxation liabilities	-	-	-	-	(5,086)	(5,086)
Total liabilities	(68,007)	(14,209)	(19,236)	-	(28,582)	(130,034)
Other segment items						
Capital expenditure on intangible assets	258	1,050	191	-	1,017	2,516
Capital expenditure on property, plant and equipment	1,779	2,804	1,070	-	21	5,674
Depreciation	1,951	943	1,361	-	83	4,338
Amortisation	916	699	251	-	160	2,026

By primary segment – business group

For the year ended 31 March 2007 (note 2)	Aerospace Components and Structures £'000	Aerospace Composites and Transparencies £'000	Automotive Turbocharger £'000	Industrial £'000	Corporate and Unallocated £'000	Total £'000
Continuing operations:						
Segment revenue	80,279	36,573	21,168	-	-	138,020
Segment trading profit/(loss)	11,002	6,659	1,457	-	(2,718)	16,400
Restructuring and rationalisation charges	(737)	(47)	(233)	-	(56)	(1,073)
Impairment charges	(2,106)	-	-	-	-	(2,106)
Changes in fair value of derivative financial instruments	-	-	-	-	(110)	(110)
Amortisation of intangible assets on acquisition	(185)	(494)	-	-	-	(679)
Segment operating profit/(loss)	7,974	6,118	1,224	-	(2,884)	12,432
Net financing costs	-	-	-	-	(6,219)	(6,219)
Profit/(loss) before taxation	7,974	6,118	1,224	-	(9,103)	6,213
Taxation	-	-	-	-	(2,689)	(2,689)
Profit/(loss) for the year after taxation	7,974	6,118	1,224	-	(11,792)	3,524
Discontinued operations:						
Post tax results from discontinued operations	(18)	-	-	504	(25)	461
Profit attributable to minority interests	-	-	-	-	-	-
Net profit/(loss) attributable to equity shareholders	7,956	6,118	1,224	504	(11,817)	3,985
Other information:						
Segment assets	76,583	79,903	19,237	6,464	16,191	198,378
Unallocated assets:						
- Current taxation assets	-	-	-	-	563	563
- Deferred taxation assets	-	-	-	-	4,877	4,877
Total assets	76,583	79,903	19,237	6,464	21,631	203,818
Segment liabilities	(59,080)	(9,699)	(20,074)	(4,079)	(24,205)	(117,137)
Unallocated liabilities:						
- Current taxation liabilities	-	-	-	-	-	-
- Deferred taxation liabilities	-	-	-	-	(8,812)	(8,812)
Total liabilities	(59,080)	(9,699)	(20,074)	(4,079)	(33,017)	(125,949)
Other segment items						
Capital expenditure on intangible assets	5,405	817	1,009	42	1,655	8,928
Capital expenditure on property, plant and equipment	1,513	1,222	3,933	147	20	6,835
Depreciation	1,934	692	1,057	359	87	4,129
Amortisation	774	518	66	62	49	1,469

By secondary segment – geographical region

	2008	2008	2008	2007 (note 2)	2007	2007
	Revenue	Segment assets	Capital expenditure	Revenue	Segment assets	Capital expenditure
	£'000	£'000	£'000	£'000	£'000	£'000
Continuing operations:						
UK	71,836	68,240	2,836	66,239	71,228	10,018
Europe	14,409	-	-	15,366	-	-
North America	64,949	107,046	4,223	52,300	107,123	2,813
Rest of World	6,752	2,579	93	4,115	3,836	1,257
Corporate and unallocated	-	33,148	1,038	-	21,631	1,675
	157,946	211,013	8,190	138,020	203,818	15,763

Intra group sales are priced on an 'arms length' basis and are not significant between either regions or segments. Corporate and unallocated costs represent corporate costs. Segmental assets comprise all non-current and current assets (as per the balance sheet presentation) but exclude current and deferred tax assets. Segment liabilities include all non-current and current liabilities but exclude current and deferred tax liabilities. Balances relating to taxation are not allocated to specific segments as these resources are managed centrally and no segments have sufficient autonomy to manage these resources. Segment capital expenditure on intangible assets comprise additions to intangible assets, but excludes assets on acquisition of subsidiary undertakings and intangible assets resulting from acquisitions through business combinations. Segment capital expenditure on property, plant and equipment comprises additions to tangible assets, but excludes assets on acquisition of subsidiary undertakings. Depreciation represents the charge for the year. Amortisation represents the charge for the year.

4. Exceptional items, re-measurements and amortisation of intangibles

Restructuring and rationalisation charges

These exceptional items reflect the Group's restructuring and rationalisation costs primarily relating to employment termination and legal costs - £2.3m (2007: £1.1m).

Impairment charges

During the year the Group undertook a review of the utilisation and carrying values of certain assets. As a result of this £0.4m (2007: £2.1m) of impairment charges were incurred, as follows:

	2008	2007
	£'000	£'000
Impairment of intangible assets	-	2,106
Impairment of receivables through third party insolvency	392	-
Total impairment charges	392	2,106

The impairment of receivables relates to an external sub-tenant at a property leased by the Group that went into liquidation during the year. The impairment in the carrying value of intangible assets in the year ended 31 March 2007 was in respect of a terminated contract involving one of the Group's subsidiaries.

Changes in net fair value of derivative financial instruments

IAS 39 requires derivative financial instruments to be valued at the balance sheet date and any difference between that value and the intrinsic value of the instrument to be reflected in the balance sheet as an asset or liability. Any subsequent change in value is reflected in the Income Statement unless hedge accounting is achieved. Such movements do not affect cash flow or the economic substance of the underlying transaction, and thus to aid in year on year comparability, the change in value has been identified separately. As a result the changes in net fair value of derivative financial instruments were:

	2008 £'000	2007 £'000
Charges included within operating profit relating to non interest instruments	775	110
Charges included within net financing costs relating to interest instruments	3,670	1,164
	4,445	1,274

Amortisation of intangible assets on acquisition

As required under IFRS 3 'Business Combinations' and IAS 38 'Intangible Assets', intangible assets identified on acquisition have been amortised during the year - £0.7m (2007: £0.7m).

5. Taxation

	2008 £'000	2007 (note 2) £'000
Analysis of charge in period		
Current tax		
- Current year	2,521	1,415
- Adjustments in respect of prior years	(1,092)	105
	1,429	1,520
Deferred tax		
- Current year	1,117	1,537
- Adjustment in respect of prior years	(197)	(368)
	920	1,169
Total tax charge	2,349	2,689

6. Dividends

	2008 £'000	2007 £'000
Equity dividends paid in the year:		
Previous year final: 0.90p (2007: 0.00p) per 25p ordinary share	857	-
Current year interim: 0.50p (2007: 0.00p) per 25p ordinary share	476	-
	1,333	-

In addition, the Directors propose that a final dividend in respect of the financial year ended 31 March 2008 of 1.5p per 25p ordinary share be paid, at a cost of approximately £2,374,000. The amount includes an estimation of the cost of the final dividend payable in respect of the open offer, placing and vendor consideration shares in relation to the acquisition of Odyssey Industries Inc. and Global Tooling Systems Inc.

7. Earnings per share

Earnings per share based on continuing activities before restructuring and rationalisation charges, impairment charges, changes in the net fair value of financial instruments and amortisation of intangible assets on acquisition, which the directors consider gives a useful additional indication of the underlying performance of the Group, is calculated on the earnings of the year adjusted as follows:

	2008	2008	2007	2007
	Earnings	Earnings per 25 pence share pence	Earnings (note 2)	Earnings per (note 2) 25 pence share pence
	£'000		£'000	
Continuing operations:				
Profit attributable to ordinary shareholders	6,834	7.18	3,524	3.95
Restructuring and rationalisation charges, impairment charges, changes in the net fair value of financial instruments and amortisation of intangible assets on acquisition	7,864	8.26	5,132	5.76
Taxation on restructuring and rationalisation charges, impairment charges, changes in the net fair value of financial instruments and amortisation of intangible assets on acquisition	(2,359)	(2.48)	(1,540)	(1.73)
	12,339	12.96	7,116	7.98

8. Post balance sheet events

Refinancing of senior debt facilities

On 22 April 2008 the Group entered into a new, secured, multi-currency committed revolving credit facility and term loan facility. The new revolving credit facility will be for a term of five years and for an initial amount of £95 million. The new term loan will be for a term of five years and for an initial amount of £90 million with repayments starting after 18 months and amortising over the five year period to £54.5 million after 54 months.

Acquisition of Odyssey Industries Inc. and Global Tooling Systems Inc.

On 2 May 2008, the Company announced that it had conditionally agreed to acquire 100% of the voting shares of Odyssey Industries Inc. and Global Tooling Systems Inc. for a total consideration of up to a maximum of US\$314 million (£158.2 million). The consideration will comprise a total initial consideration of US\$253.3 million (£127.6 million) of which US\$213.3 million (£107.5 million) will be satisfied in cash with the balance being satisfied by the issue of 14,874,312 new Ordinary Shares to the vendor and further deferred contingent consideration of up to US\$60.7 million (£30.6 million) payable in cash dependent on the combined performance of Odyssey and GTS in the year ending 31 December 2008.

The Company also announced a fully underwritten Placing and Open Offer of new Ordinary Shares at 135 pence per share to raise approximately £65 million gross of expenses to part-fund the acquisitions. The Open Offer is to be carried out on the basis of 1 Open Offer Share for every 4 existing Ordinary Shares held. The balance of the purchase price is to be met through a combination of drawings under the new banking facilities and the issuance of shares to the vendor.

These acquisitions were approved by shareholders at an Extraordinary General Meeting held on 3 June 2008. Due to the timing of this approval and the date at which these preliminary results were announced, it is impractical to state the carrying values of the assets acquired and calculation of goodwill upon acquisition.

9. Other information

The Group's financial statements for the year ended 31 March 2008 will be sent to shareholders during the week commencing 28 July 2008.

The Annual General Meeting will be held on Thursday 4 September 2008.

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