

19 August 2009

Interim Management Statement

Hampson Industries PLC (“Hampson” or “the Group”), the international aerospace and precision engineering group, today issues the following Interim Management Statement covering the period since 31 March 2009.

Divestment of Hampson Aerospace Machining Limited (“HAML”)

On 17 August 2009, the disposal of the Group’s non core UK aerospace machining operations was completed for a cash consideration of £23.7 million. This disposal marks an important step in streamlining the Group’s portfolio, enabling the concentration of management efforts on sectors offering higher long term growth rates and the ability to generate tangible synergies between the Group’s businesses. As previously reported, the net disposal proceeds will be used to repay borrowings which will lead to some dilution in earnings in the current year due to prevailing low interest rates.

Current Trading

Aerospace

Against the current economic climate, trading conditions in the year to date as previously predicted have remained difficult.

The drivers of demand for both initial and production rate tooling for major new aerospace programmes remain robust, but we are continuing to see timing delays due to customer engineering processes and cash flow management impacting the release of larger new orders, in particular for the B787, the A350 and F-35 programmes.

Although this is likely to result in an overall reduction in tooling revenue during 2009/10, the delays in customer order placement have led to a substantial build up in the value of outstanding quotations submitted for new tooling orders and an increase in work-in-progress. The aggregate value of outstanding quotations (over and above current order books) submitted by the Group’s tooling operations now stands at over US\$400 million, which represents a like-for-like increase of over 40% compared to the same period in 2008/09 and underpins our confidence in the future potential of these businesses.

Demand for military aerospace components has remained robust in the period, which has increased revenue of the Group’s composite components businesses by approximately 10% compared with the same period in 2008/09, despite continuing delays with the F-35 programme. Some general softening has been evident in commercial aerospace component demand, with, as expected, the Group’s UK structures business seeing significantly lower volumes in 2009/10.

Automotive Turbocharger

The Automotive Turbocharger division has traded slightly better than management expectation during the period due to a combination of effective cost reduction initiatives and marginally improved demand. The Board is continuing to review options for the division, which now contributes less than 5% of Group revenue and remains a non-core activity.

Net Debt

Following receipt of the proceeds from the divestment of HAML and after payment of all remaining earn-out obligations, net indebtedness of the group stands at approximately £152 million. Net debt is expected to reduce progressively during the second half of the year as peak tooling working capital is liquidated. The Group also continues to target a number of other operational initiatives aimed at reducing indebtedness.

Outlook

Following the divestment of the non-core UK machining operations, almost 60% of the Group's revenue is now generated from aerospace tooling sales. The demand outlook for this segment therefore remains by far the most dominant influence on the Group's future financial performance.

The out-turn for the current year will ultimately be determined by the timing of conversion of pipeline demand for high value tools required by the larger aerospace programmes into firm orders. Although the timing of order placement remains difficult to predict, present customer indications, the unprecedented scale of new work in the pipeline and known programme manufacturing and assembly requirements, all point to an increase in tooling revenue during the second half of the current year, continuing at a strong level into 2010/11.

The Board therefore remains confident that in spite of the short-term uncertainty arising from delays to major programmes, the Group is well positioned to convert the opportunities available into attractive returns for shareholders.

The terms "Trading Results" or "Results" used in this IMS are before exceptional items relating to restructuring and rationalisation charges, impairment charges, changes in the net value of derivative financial instruments and the amortisation of intangible assets on acquisition.

Ends.

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About Hampson:

The Group's operations are structured into three business segments, serving primarily the global commercial and military aerospace and specialist engineering markets from manufacturing facilities in the UK, North America and India.

Approximately 95% of the Group's sales are derived from its aerospace activities, the balance from the market for automotive turbocharger components. Hampson are world leaders in the design and manufacture of close tolerance tooling and assembly systems for composite and metallic aero structures. The Group employs approximately 1,600 people worldwide.

Hampson Industries PLC is listed on the main market of the London Stock Exchange (Symbol: HAMP). For more information on Hampson: www.hampsongroup.com

Cautionary Statement:

This announcement contains forward-looking statements that are based on current expectations or beliefs, as well as assumptions about future events. These forward-looking statements can be identified by the fact that they do not relate only to historical or current facts. Forward-looking statements often use words such as anticipate, target, expect, estimate, intend, plan, goal, believe, will, may, should, would, could, is confident, or other words of similar meaning. Undue reliance should not be placed on any such statements because they speak only as at the date of this document and, by their very nature, they are subject to known and unknown risks and uncertainties and can be affected by other factors that could cause actual results, and Hampson's plans and objectives, to differ materially from those expressed or implied in the forward-looking statements.

There are a number of factors which could cause actual results to differ materially from those expressed or implied in forward-looking statements. Among the factors that could cause actual results to differ materially from those described in the forward-looking statements are; increased competition, the loss of or damage to one or more key customer relationships, changes to customer ordering patterns, delays in obtaining customer approvals for engineering or price level changes, the failure of one or more key suppliers, the outcome of business or industry restructuring, the outcome of any litigation, changes in economic conditions, currency fluctuations, changes in interest and tax rates, changes in raw material or energy market prices, changes in laws, regulations or regulatory policies, developments in legal or public policy doctrines, technological developments, the failure to retain key management, or the key timing and success of future acquisition opportunities or major investment projects.

Hampson undertakes no obligation to revise or update any forward looking statement contained within this announcement, regardless of whether those statements are affected as a result of new information, future events or otherwise, save as required by law and regulations.