

Senior plc

Pre Close Period Statement

Senior plc, a manufacturer of high technology components and systems, principally for the aerospace, diesel-engine and energy markets, issues this trading update for the twelve month period to 31 December 2006.

Overall trading in the period has been healthy, particularly in the Group's aerospace markets, and the Group's 2006 adjusted profit before tax ⁽¹⁾ is expected to be in line with the Board's expectations, despite the adverse translation effect of the weakening US\$.

After a number of years of selling businesses, it was pleasing that two aerospace companies, Sterling Machine (end of January) and AMT (end of October), were acquired during 2006. They are highly complementary to the Group's existing operations and significantly strengthen Senior's position in the buoyant worldwide aerospace market. Both operations have made excellent starts within the Group and are contributing as expected.

Strong markets, operational improvements and the recent acquisitions mean operating profits for the Aerospace Division are expected to be significantly higher in 2006 than in 2005. Overall demand has been strong and prospects remain good, with orders for large civil aircraft again expected to be well ahead of deliveries during 2006. A number of new programmes, notably the Boeing 787, are currently in development. The business jet market is very healthy and the military and regional jet markets are stable. The consequence of the increasing demand is a general drive to increase build rates and for the large primes, such as Boeing and Rolls-Royce, to outsource more work to suppliers like Senior. As a consequence capital expenditure for the division is rising to increase capacity to meet the growing demand. Increases in raw material prices and their availability continue to be issues for the industry.

In the Flexonics Division, demand has been largely as expected. The Division's automotive markets, which are more focussed on front wheeled drive passenger vehicles than on the larger sports utility vehicles and pick-up trucks, have generally been flat and remain competitive. On the other hand, the power generation, chemical processing and oil and gas markets have all been strong. The new products for the heavy duty diesel engines are now in the final stages of production launch and the heavy truck markets, both in the USA and in Europe, continue to offer good future opportunities. Additional engineering resource is being deployed to address these opportunities. For 2006, operating profits for the Flexonics Division are expected to be ahead of the prior year.

The acquisitions of Sterling Machine and AMT were both funded by a combination of new shares and additional borrowings. Consequently, net debt has increased during the year and is anticipated to be around £105m at the year-end, with the final outcome partially dependent upon the closing \$:£ exchange rate.

Looking ahead, the prospects for Senior remain very encouraging.

The 2006 full year results are scheduled to be announced on Thursday 1 March 2007.

(1) Adjusted profit before tax is before profit / loss on sale of fixed assets and before amortisation of intangible assets arising on acquisition

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This announcement, together with other information on Senior plc may be found at:
www.seniorplc.com

Note to Editors:

Senior is an international manufacturing group with operations in 11 countries. Senior designs, manufactures and markets high technology engineered components and systems, principally for the aerospace, diesel-engine and energy markets.