

## Press release

London, Thursday 7 September 2006

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### **Tomkins Trading Update**

Since the announcement of the interim results of the Tomkins Group on 2 August 2006, certain adverse trends in our markets have become apparent.

The residential market in North America, which accounts for around 12 per cent of the Group's revenues, has slowed down markedly at a time when building activity would normally accelerate over the summer months.

The automotive original equipment market in North America, which accounts for around 11 per cent of the Group's revenues, has been weaker than expected and the market share declines of the large North American domestic manufacturers have been more severe than anticipated resulting in lower demand and further substantial production cuts for the balance of the year.

In addition, the trend of increasing interest rates in North America and the decline in consumer confidence has affected those markets where the Group has exposure to the consumer end-market.

Trends in the industrial markets and the non-residential construction market remain as previously indicated.

The summer months of July and August are normally periods of lower trading activity for the Group. However, during this period market trends noted above have reduced profits compared with our internal management forecasts existing at the time of the interim announcement resulting in operating profits for such months being lower by some £11 million compared with those forecasts.

Based on the lower than expected profit performance in July and August, profit from operations before restructuring initiatives in the third quarter will be below market expectations. The month of September is a key trading month and would be expected to account for over 50 per cent of the operating profit in the third quarter. We will be in a better position to assess the impact of July and August trading for the year as a whole when the outcome for September is known and we will provide a further update to the market with the third quarter results announcement on 31 October 2006.

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