

Charter plc

Results for the year ended 31 December 2006

		2006 £m	2005 £m	
Revenue		1,257.9	1,065.7	+18%
Adjusted operating profit ₁		143.2	97.5	+47%
Operating profit		143.2	101.7	+41%
Profit before tax		144.6	103.5	+40%
Profit after tax		127.7	83.5	+53%
Profit attributable to equity shareholders		122.0	74.0	+65%
Net cash/(debt)		43.1	(6.5)	
		pence	pence	
Earnings per share	Adjusted ₂	67.2	43.0	+56%
	Basic	73.5	46.9	+57%

1 before exceptional items

2 before exceptional items and gains on retranslation of intercompany loan balances

"I am pleased to report that 2006 has been another successful year for Charter. The Company has achieved excellent results with operating profits having increased by 41 per cent to £143.2 million, pre tax profits by 40 per cent to £144.6 million and adjusted earnings per share by 56 per cent to 67.2 pence per share.

The results achieved in 2006 show that both of Charter's businesses, ESAB and Howden, have successfully built upon the restructuring efforts of recent years and made the most of opportunities presented by strong markets. In doing so, both businesses have achieved significant volume growth and improvements in operating margins. In 2006, ESAB's and Howden's operating margins were 11.9 per cent (2005: 10.3 per cent) and 11.5 per cent (2005: 9.7 per cent) respectively.

The trading in ESAB and Howden in the first two months of 2007 has been encouraging and continues to benefit from favourable market conditions. Demand for ESAB's products generally remains strong in the key markets in which it operates, and particularly so in emerging markets. For Howden, order intake in the first two months of the year has been strong, especially from the power market in North America.

For these reasons, and in the light of the excellent results achieved in 2006, the Board views the trading prospects of the Company and its businesses for 2007 with increasing confidence."

David Gawler

Chairman

14 March 2007