

# Murray International Holdings Limited

## Results for the year ended 31 January 2007

Murray International Holdings Limited reports its audited results for the year ended 31 January 2007:

Sir David Murray commented:

“In a year of transition for the Group I am delighted to report another excellent financial performance. Turnover from continuing operations in the year was £451.7m, an increase of 16% on £390.3m in the prior year. Operating profits from continuing operations increased by 63% to £39.7m.

Group turnover including acquisitions and disposals was £451.7m compared to £538.4m in the prior year while profit before tax was £10.2m against £51.1m. However, the prior year results include £149.9m of pre-disposal trading, £19.4m profit before tax and £43.0m of gain from the £118.5m sale of Murray International Metals in December 2005. The Group’s underlying business continues to grow and has benefited from the reinvestment of proceeds from the MIM disposal. Accordingly, the financial performance for the year to 31 January 2007 demonstrates the strength and depth of the Group’s varied activities.”

### Operating activity highlights

- Strong market prices continued in specialist metal sectors including oil and gas, complex alloys and aerospace
- Steel prices in construction and related areas firming fuelled by demand with volumes annually exceeding 250,000 tonnes of sections and tubulars and 60,000 tonnes of plate
- Our Property Division, PPG produced another year of strong results and took advantage of the strong investment market to dispose of industrial units and offices generating combined proceeds of £26.0m
- Investment portfolio strengthened with £120.0m addition of the 200,000 sq.ft. Plumtree Court office in the City of London and £14.0m distribution facility comprising 327,000 sq.ft. near Manchester
- Significant property development activity including sales of £15.1m distribution units near M62 and £23.5m pre-let office development near Gatwick
- Continued overall shift in the balance of PPG’s activity from investment back to development with planned projects totalling £500m of end value and encompassing almost 3.0m sq.ft.
- Significant transition in Outsourcing Services Division, Response, through investment in strengthening management and infrastructure
- Response continues to grow profitably with sales exceeding £50.0m annually
- Our Asset Management Division, Charlotte Capital, invested £1.9m in IT services company in December 2006
- Charlotte Capital’s other investments, including Alexander Dennis Limited, continue to thrive while management further develop the portfolio and explore additional investment opportunities
- Mixed fortunes for Rangers FC during the year with European progress not matched on the domestic front

- Final stages of restoration work being completed at open cast coal mining sites with focus now on development opportunities

## **Corporate activity highlights**

- Sale of MIM proved to be the catalyst for a strategic review of all aspects of the Group's activities:
  - Reorganisation and improved focus in our Metals Division
  - Continuation of shift in geographic and sector diversity in our Property Division
  - Establishment of and investment in our Outsourcing Service Division
  - Creation of significant opportunities for our Asset Management business
- Reinvestment of proceeds has provided a platform for the further investment and development of the Group
- Acquisitions in general steel stockholding and distribution sector include Tipton & Mill Steels Limited for £3.2m during the year and the purchase of Newton Steel Stocks Limited post year end
- Delighted to welcome back Walter Smith as manager of Rangers Football Club in early 2007

## **Comment and outlook**

Sir David Murray said:

“The transformation of the Group, which started last year, has continued apace this year. We have increased our focus, further strengthened our management team, invested in our existing operations, expanded our activities through acquisition and delivered a strong set of financial results. Bank of Scotland has continued to provide the funding to facilitate our growth and realise our ambitions under a relationship which extends from lender to partner throughout our activities. We look forward to developing our partnership further as we explore new ways to capitalise on our combined skills and resources.

Looking forward and with the template now in place we have made a strong trading start to the current financial year. As a privately owned Group we are able to benefit from taking a longer term strategic outlook instead of being forced to focus on short term profit. This approach has enabled us to accumulate significant assets with latent potential that will stand us in good stead in the future. The Group is therefore well placed to take advantage of the changing economic environment we are now witnessing and I am confident that further growth and increased profitability will be secured in the current year.”