

# AMC Industrial

## **Wilkinson Steel**

Wilkinson Steel operates from ten steel service centres, offering a full range of products and processing services to customers in the Prairies and British Columbia regions of Western Canada. Steel prices, cost driven rather than demand pulled, increased dramatically in the first half of 2008, leading to a marked upswing in Wilkinson's profit. Subsequently, as economies around the world slowed and over capacity became apparent, steel prices fell back sharply. Compounded by weakening demand in its served markets, amid growing fears of recession, conditions were much more difficult in the final months of the year, and going into 2009. With volumes maintained despite the reduced demand, overall profits were well up on 2007 but 2009 will be a challenging year as prices and demand are likely to remain weak in the recession-hit economies of North America.

## **Debro Steel**

Debro Steel operates a plate and structural carbon steel service centre in Toronto. Although growth was negligible in the Ontario economy, with the manufacturing sector particularly hard hit, Debro also benefited from the upsurge in the price of steel in the first half of the year. Volumes were maintained in its regular business and a substantial toll processing business was also undertaken, which resulted in a marked rise in profits over 2007. As with Wilkinson, the last months of the year were difficult and 2009 will also be demanding.

## **Thaisarco**

Thaisarco operates the Group's tin smelter in Phuket, Thailand. In a market where the price of tin was highly volatile, the regularity of supply of material remained a challenge and an opportunity. However, Thaisarco secured sufficient tin concentrates and metal to achieve production volumes close to last year. The company's underlying operating profit was augmented by a gain due to its ability to lock in the benefit of the high tin price which prevailed in June in respect of intermediate products accumulated over a number of years. Consequently, the company's overall result was significantly higher than last year.

## **National Concrete Accessories**

NCA operates from eleven branches, manufacturing and distributing construction accessories to the concrete forming construction industry across Canada. Construction activity in Canada has thrived in recent years, and this continued in 2008, in both the east and west of the country. Supported by the rising steel price in the earlier months of the year, NCA achieved a profit significantly ahead of 2007. In December, NCA acquired a small branch in Winnipeg in order to serve directly the growing Manitoba market.

## **Consolidated Alloys**

Consolidated Alloys, from its five locations in Australia, manufactures and markets non-ferrous metal products. Construction products, in particular sheet lead and flashings, along with lead anodes and solder, give the company a broad customer base in a range of industries. With the Australian economy slowing, and the house building sector shrinking, 2008 was a more challenging year for Consolidated Alloys and its profit was down on last year, but satisfactory against this more difficult economic background.

## **Consolidated Alloys (New Zealand)**

Consolidated Alloys (New Zealand) manufactures non-ferrous metal products, including proprietary lead and aluminium flashing products, mainly for the building industry, along with solder, and the company also distributes industrial pumping equipment. Consolidated Alloys (New Zealand) extended its record of consistently high profits with another strong result, although marginally below that of 2007.

## **Brookside Metal Company**

Brookside Metal manufactures copper-based alloys at Willenhall in the West Midlands. Sales volumes and margins held up well during 2008, but the company had to absorb rising energy costs, so that Brookside's operating profit was down on 2007 while remaining satisfactory.

## **Exchanger Industries**

Exchanger Industries, located in Calgary, Canada, manufactures heat exchangers. While the Alberta Oil Sands, which hold one of the world's largest reserves of oil, remained the most significant source of work for Exchanger, its US export business grew substantially. Exchanger's plant operated close to full capacity during 2008 and, together with improved operating efficiencies, this resulted in a highly satisfactory profit, well up on 2007. Exchanger has continued to secure new work, and the order book at the end of 2008 was higher than 2007. This represents more than one year's production and provides some resilience in the face of the impact of the current low price of oil on the Oil Sands development.

## **Keeling & Walker**

Keeling & Walker is based in Stoke-on-Trent and produces tin oxide and specialist tin-based powders, which are used by customers in ceramics, electrical, electronic and advanced technology applications. Keeling & Walker supplies customers largely in export markets. In more favourable market conditions in 2008, Keeling & Walker, together with its sister company Thermox Performance Materials and its German subsidiary Thermox, achieved a profit ahead of last year.

## **Mil-Ver Metal Company**

Mil-Ver Metal is based in Coventry where it manufactures aluminium alloys primarily for the die-casting industry, and it is the Group's operation most exposed to the fortunes of the automotive industry. In the final quarter of 2008, Mil-Ver was severely impacted by the slump in the auto industry, and the company reported an operating loss for the year, although this was not significant for the Group's financial performance. 2009 will be a challenging year for the company but it expects to position itself to gain from the shake out of weaker competitors from the market which is now underway.