

Results for full year ending
31 March 2010

Presentation to Analysts
8 June 2010



Highlights

- Underlying operating profits were £5.7 million
- Operating profits in Technical Plastics increased to £4.4 million after a stronger second half trading
- Precision Products saw operating profits lower at £2.6 million due mainly to the impact of the recession on its aerospace business
- Profit before tax increased by 26.6% to £4.6 million
- Earnings per share increased by 15.7% to 5.9 pence
- The commercialisation of Conductive Inkjet Technology (“CIT”) progressed significantly with the signing of an agreement with Atmel Corporation
- The group raised £3.5 million via a share placing for further investment in CIT
- Group debt reduced to £14.6 million, representing gearing of 24.8%



Technical Plastics

£million	2009/10			2008/09		
	Revenue	Operating profit	Margin	Revenue	Operating profit	Margin
CTP Europe	30.7	3.1	10.2%	34.7	2.4	6.9%
CTP USA and Asia	20.4	1.3	6.3%	20.3	1.3	6.4%
Continuing Operations	51.1	4.4	8.6%	55.0	3.7	6.8%



CTP Europe

- Turnover lower due mainly to prior year exit from low margin automotive and the impact of the downturn on our teletronics markets
- Continued growth in medical and optical drives improvement in operating margin
- UK operations had a strong year benefiting from growth in medical diagnostics and LED optics
- We are re-commissioning moulding capacity in Scotland for medical and optical

CTP USA and Asia

- US demand subdued for much of year but now increasing
- LED business continues to grow and we have increased manufacturing and distribution support in the US and China
- Our new Indian facility delivered a profit in its first full year



Precision Products

£million	2009/10			2008/09		
	Revenue	Operating profit	Margin	Revenue	Operating profit	Margin
Wipac	24.0	1.9	7.9%	24.5	2.0	8.2%
Precision Engineering	6.5	0.7	11.6%	8.5	1.7	20.0%
Continuing Operations	30.5	2.6	8.7%	33.0	3.7	11.3%



Wipac

- Strong second half benefited from design, development and tooling revenues from super car lighting programmes
- These revenues will be replaced by product sales in the current year
- New opportunities in high power LED lighting
- Volumes in the comms business were weaker than in the prior year although the new year has started well

Precision Engineering

- Our aerospace businesses in Scotland and France saw a significant decrease in demand due to the recession
- Margins are still almost 12% and the businesses remain cash generative



Income Statement Comparative

	2009/10 £m	2008/09 £m
Turnover	81.2	87.4
Operating profit		
Divisional operating profit	7.1	7.5
Central costs	<u>(1.4)</u>	<u>(1.3)</u>
Underlying operating profit from continuing operations	5.7	6.2
Rationalisation costs	(0.3)	(2.4)
Exceptional bad debts	<u>-</u>	<u>(0.3)</u>
Operating profit	5.4	3.5
Net financing (charge) / credit	(0.8)	0.2
Profit before tax	<u>4.6</u>	<u>3.7</u>
Taxation	(0.9)	(0.5)
Loss on discontinued operations, net of tax	(0.2)	(0.3)
Profit for the period	<u>3.5</u>	<u>2.9</u>

- Group turnover from continuing operations decreased to £81.2 million due mainly to -
 - Ø A significant reduction in aerospace demand
 - Ø The prior year exit from low margin automotive moulding
 - Ø The impact of the downturn on our teletronics markets
- Divisional operating profit was £7.1 million
- Finance costs of £0.4 million (2009 - £0.7 million) lower due to lower average debt levels and lower interest rates
- IAS 19 financing charge of £0.4 million (2009 - £0.9 million credit)
- Tax charge of 20.5%
- Loss on discontinued operations relates to costs incurred on surplus properties
- Final dividend held at 1.35 per share



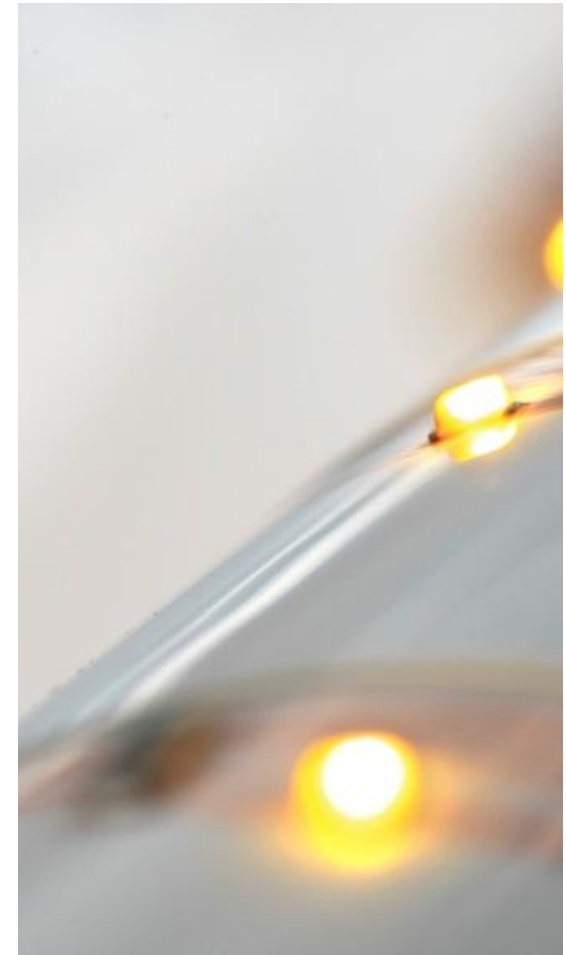
Financial Position – Cash Flow

	£m	£m
Net debt at start of period		(17.9)
Cash from operations	9.5	
Working capital	(3.1)	
Interest and tax	(0.8)	
Capital expenditure	(2.8)	
Free cash flow	2.8	
Additional pension contributions	(1.9)	
Reorganisation and closure costs	(1.1)	
Proceeds from sale of surplus property and assets	1.3	
Proceeds from the issue of share capital	4.4	
Equity dividends	(1.1)	
Cash available for corporate activities	4.4	
Development expenditure	(1.2)	
Acquisitions and disposals	(0.4)	
Exchange movement	0.5	
Movement in net debt		3.3
Net debt at end of period		<u>(14.6)</u>

- Cash from operations of £9.5 million
- Increase in working capital mainly due to increased sub contract tooling debtors at Wipac
- Capex of £2.8 million does not include £1.3 million of capital work in progress at Wipac
- £1.9 million additional payments to pensions schemes
- Cash costs of rationalisation are £1.1 million mainly relate to prior year Slough closure
- £1.3 million generated by sale of surplus property and assets
- £4.4 million raised from issue of share capital includes £3.5 million from equity placing
- £1.2 million capitalised cost of R&D spend, mainly on CIT

Financial Position – Balance Sheet

- Group debt of £14.6 million at 31 March representing gearing of 24.8%, excluding the net pension deficit
- Reduction in debt due mainly to the funds raised from the equity placing in December 2009
 - Ø Group placed 2,858,000 new shares raising funds of £3.7 million before expenses
 - Ø Shares issued at no discount to prevailing mid-market share price
 - Ø A further £0.9 million was generated from the exercise of employee share options
- The group has medium term loan facilities totalling £20.0 million which expire in June 2012
- As at 31 March 2010 the total drawings on these facilities were £18.7 million
- The group also has overdraft and other loan facilities totalling £11.9 million
- Under the group facility arrangements the two main covenants are interest cover and net debt / EBITDA and the group has a very comfortable level of headroom on both covenants



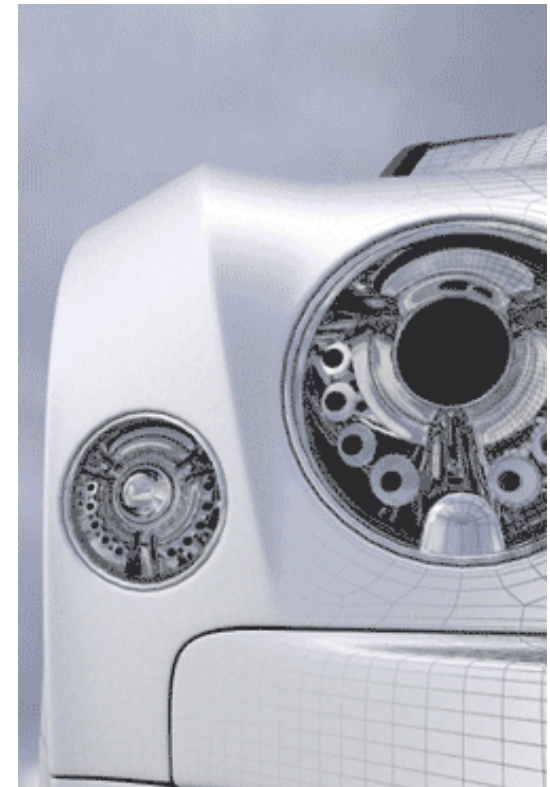
Financial Position – Pensions

Pension accounting

- At 31 March 2010 the IAS 19 pension deficit was £14.5 million (2009 - £12.9 million) net of deferred tax
- £28.2 million increase in the value of scheme assets due mainly to improving equity markets
- However, liability increases to £162.0 million due to decline in corporate bond yields
- IAS19 impact on the income statement -
 - Ø Current service cost of £0.2 million
 - Ø IAS19 financing charge of £0.4 million (2009 – a credit of £0.9 million) - in the current year this charge will revert to a credit following the improvement in equity markets during the year to 31 March 2010

Pension - cash

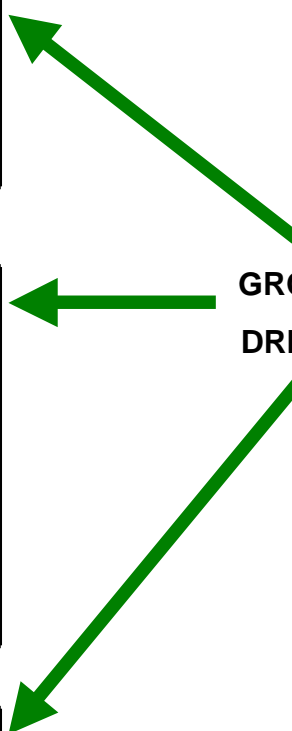
- The cash cost of employer pension contributions was £0.5 million
- The group also made a recovery plan payment of £0.9 million & paid £0.7 million of scheme costs
- New recovery plan agreed based on 31 March 2009 triennial valuation updated to 30 September 2009
- Annual additional contributions of £0.9 million (indexed at 2.9% per annum) will be paid for 15 years



Group Profile

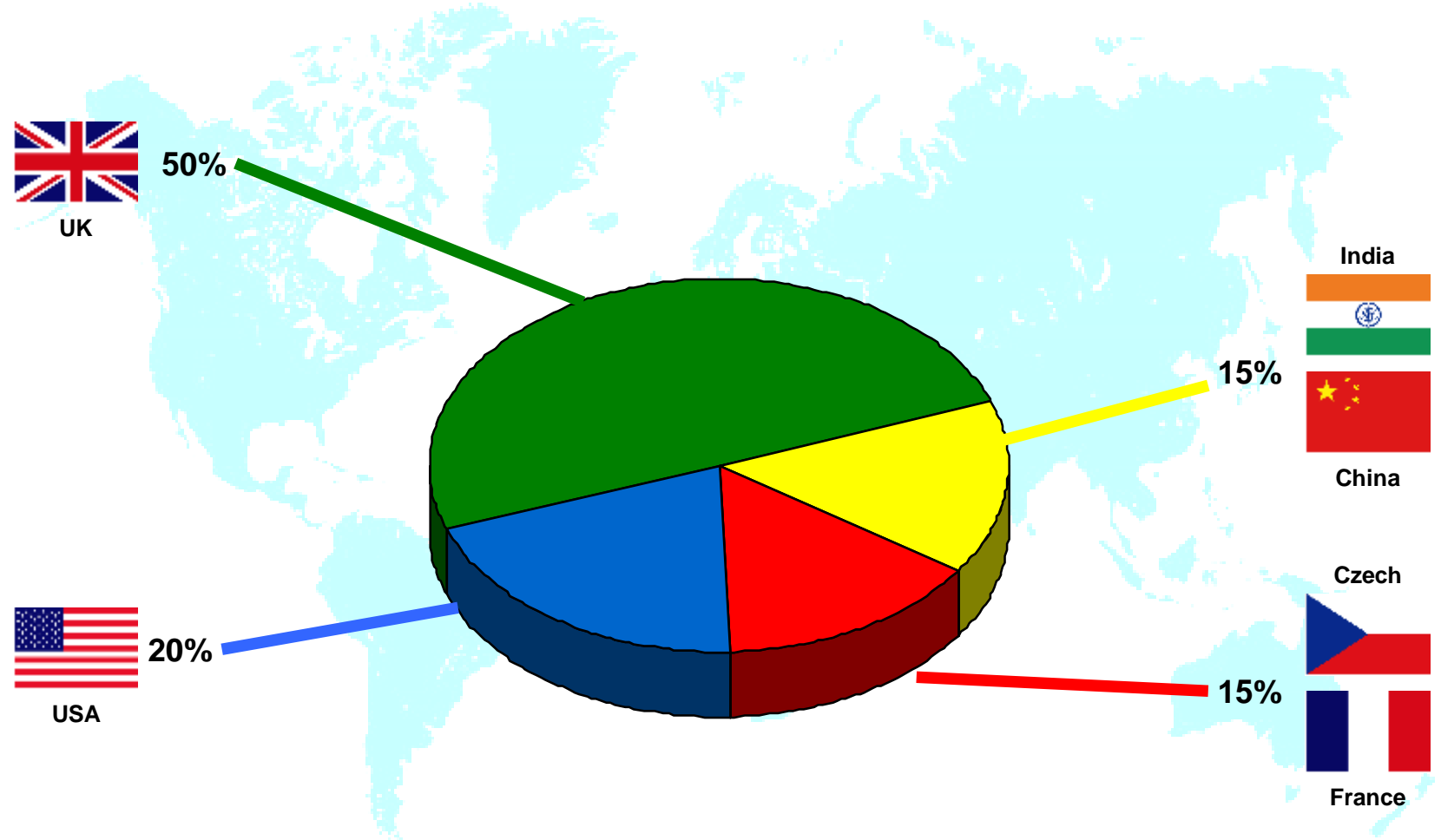
	Sector	Approximate % of Group *
Technical Plastics	Medical / Optical	48%
	Electronics	10%
	Industrial / Automotive	7%
Precision Products		
Wipac	Supercar Lighting	13%
	Communications	9%
	Branded Aftermarket	3%
Precision Engineering	Aerospace	6%
	Industrial	2%
CIT	Technology	2%

GROWTH DRIVERS



* Based on sales volumes estimated for 2010 / 11

Global Manufacturing Footprint



Percentage of revenues by manufacturing origin - estimated for 2010 / 11



Conductive Inkjet Technology

“Conductive Inkjet Technology is now generating commercial revenues and we expect revenues to step up significantly in our second half as the new touch sensor products enter production.”

The main application areas for CIT are -

- Sensors and RFID
- Fine Line Technology (“FLT”)
- Displays and photovoltaics
- Security applications



**CONDUCTIVE
INKJET
TECHNOLOGY**

CIT Applications – Sensors and RFID

InkJetFlex manufacturing facility

- InkJetFlex facility now fully operational and generating revenues
- We are supplying a number of customers with initial production quantities for a broad spectrum of innovative products
- Applications in production include RFID tags, road traffic sensors, motion detectors, heating elements and LED lighting strips
- A web based tool has been launched (www.inkjetflex.com) to allow designers to use CIT for small batch and prototype runs
- We expect sales from InkJetFlex to grow strongly over the next 18 months
- We are also seeking to use flexographic inks for printed electronics and our main partner is well advanced with a number of applications



CIT Applications – Fine Line Technology (“FLT”)

Project with Atmel Corporation (“Atmel”)

- Agreement signed with Atmel in December 2009 to complete technical and commercial development of FLT for touch screen applications
- CIT now installing a production facility for touch screen sensors at Cambridge
- Atmel is to pay US\$ 1.0 million (of which US\$ 0.5 million has already been paid) for preferred access to the CIT capacity
- Atmel has agreed to minimum volumes for 2011 and 2012 to retain this preferred access
- Project has progressed well and the coating line is already installed and operational
- The second and third components of the facility are to be installed by the end of July 2010
- The production line is expected to commence initial production by the end of 2010
- Samples of FLT touch sensors have been successfully integrated into mobile phones and there is considerable interest in this application
- CIT touch sensors perform better than existing Indium Tin Oxide (“ITO”) sensors and the production cost is much lower



CIT Applications – Displays and Photovoltaics

Project with Cambridge Display Technology (“CDT”)

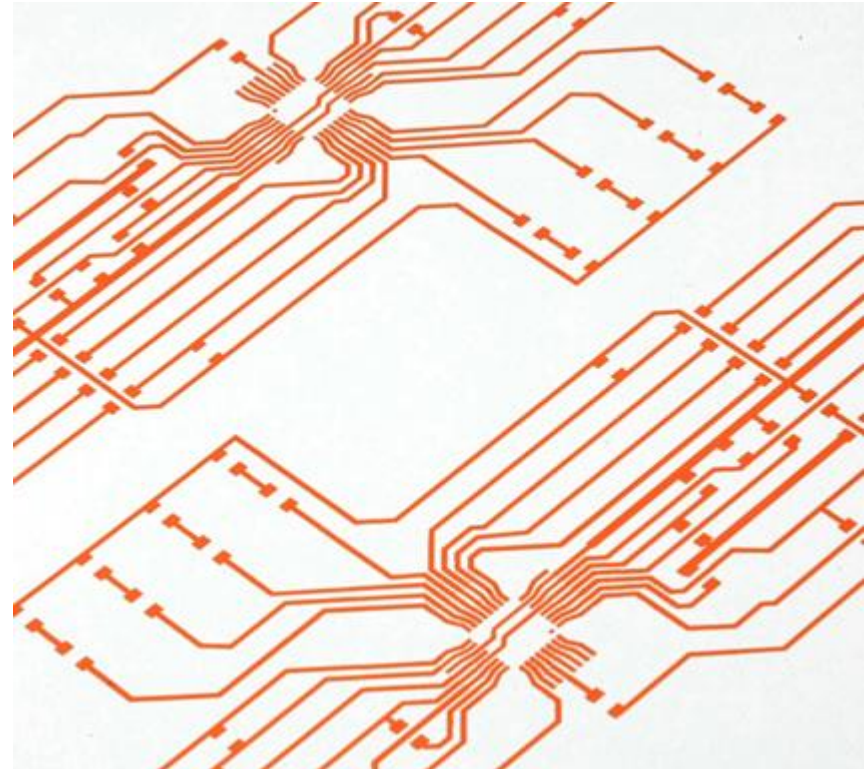
- This programme uses CIT technology to produce fine lines on glass for the front electrodes of OLED displays and lighting panels
- The project has been partly supported by Technology Strategy Board funded program, “NOMAD”
- In April 2010 CDT announced an ITO free device using CIT’s fine line technology
- CIT fine lines result in better conductivity and optical characteristics and lower manufacturing costs
- Project NOMAD to be completed in July 2010 and discussions are underway on using our technology in commercial OLED devices
- FLT can also be used to produce transparent electrodes on plastic substrates for low cost organic photovoltaic devices



CIT Applications – Security Applications

Project with Worldmark International Limited (“Worldmark”)

- Joint development agreement concluded with Worldmark to use CIT in Brand Protection applications
- Worldmark has purchased a MetalJet 2000 system from CIT to install at its UK R&D centre
- Worldmark plans to use CIT technology to develop unique Brand Protection solutions in combination with its own technology
- This application illustrates the potential for CIT’s proprietary catalytic inks in a number of innovative new products



Platform Diagnostics Limited (“PDL”)

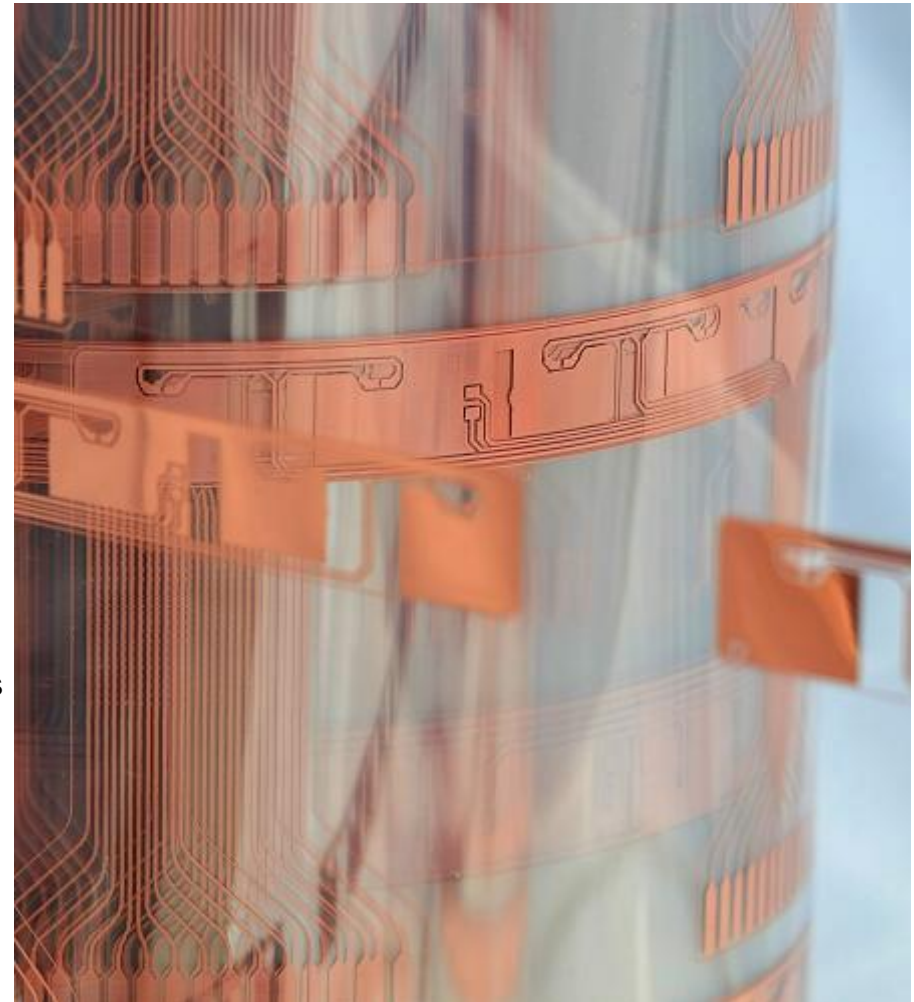
- PDL was a VC backed company established to develop low cost point of care diagnostic devices based on Capillary Agglutination Technology (“CAT”)
- Carclo and BBI Holdings plc took over the development of CAT, each own 29.8% of PDL
- Good progress made this year on refining the hardware design on the PDL device
- The device is a fully integrated, quantitative, low cost, disposable blood test
- Next step is to determine a viable route to market
- Commercial assessment of programme will be completed this year



Ian Williamson – main terms of extended contract

The main terms to note are -

- Contract to be extended by two years to 27 March 2013
- Salary to remain fixed at £236,900
- No further pension payments after 1 October 2010
- The short term incentive scheme awards to continue as before
- One off long term incentive grant under Performance Share Plan at 4x salary with two performance parameters -
 - 1) 50% based on a relative TSR measure in line with previous awards
 - 2) 50% based on absolute share price growth – nil vesting at 200p per share to 100% vesting at 300p per share
- No further Performance Share Plan grants



Outlook

- The year just ended was another year of progress for the group.
- Our medical business continues to identify opportunities for further growth which will support increased profitability in the Technical Plastics division. In addition, our LED optics business continues to generate strong compound growth.
- In Precision Products the significant design and development revenues generated by Wipac last year from LED supercar lighting will progressively convert to product sales in the new financial year and will drive growth in the medium term. The aerospace business, which was impacted by a significant reduction in demand last year, has now stabilised.
- Conductive Inkjet Technology is now generating commercial revenues and we expect to step up significantly in our second half as the new touch sensor products enter production.
- The group is well positioned for growth and the board remains committed to delivering shareholder value through a continued focus on its clear, consistent strategy.

