



PLASTICS
Capital plc

Interim Results Presentation

Half Year ended 30 Sept 2009

19 November 2009

AGENDA

- Highlights & Key Issues
- Operating Performance
- Full Financial Performance
- Outlook & Strategy

FINANCIAL RESULTS HIGHLIGHTS

H1 FY10	6 months to 30.09.09 £m	Change 6 months 31.03.09	6 months to 31.03.09 £m	Change 6 months 30.09.08	6 months to 30.09.08 £m
SALES	12.9	(3.0)%	13.3	(10.9)%	14.9
EBITDA*	2.6	8.4%	2.4	(10.3)%	2.7
PBT*	1.5	475.0%	0.3	(84.5)%	1.7
E.P.S.*†	4.9p	19.5%	4.1p	(31.7)%	6.0p

* Excluding as appropriate or relevant, amortisation, exceptionals, unrealised foreign exchange costs & unrealised derivative gains/losses

† Actual tax applied

FACTORS AFFECTING PERFORMANCE IN H1 FY10

● EXTERNAL FACTORS

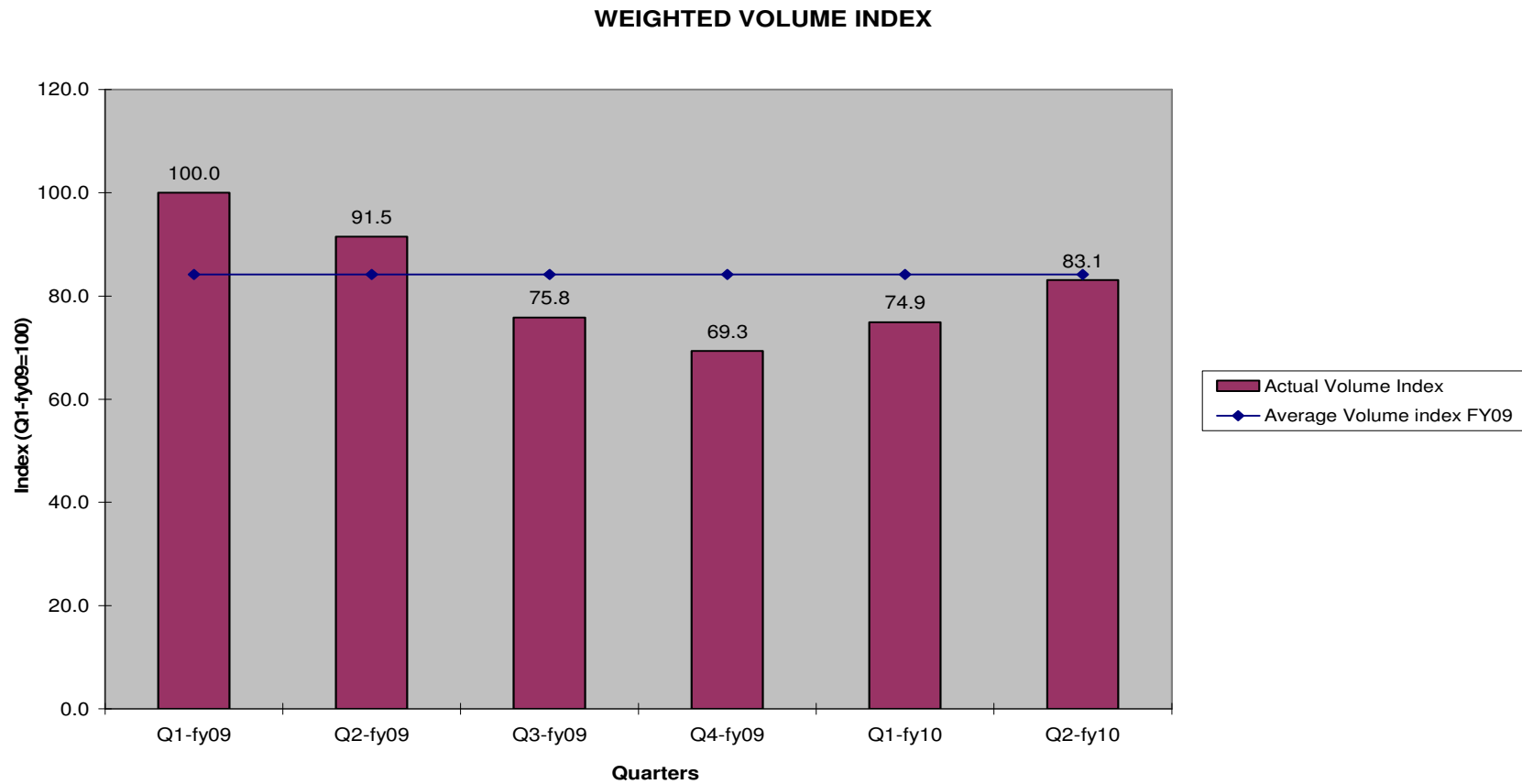
- Volumes
 - Some recovery now evident from low point in Q4 FY09
- Raw material prices
 - Price deflation since FY09; affects top line, not bottom line
- Currency volatility
 - Sterling weakness compared to H1 FY09
 - Dollar weakness compared to H2 FY09

● INTERNAL FACTORS

- Substantial rationalisation implemented in FY09
- Final cost reduction implemented in Q1 FY10

SALES VOLUMES BY QUARTER SINCE Q1 FY09

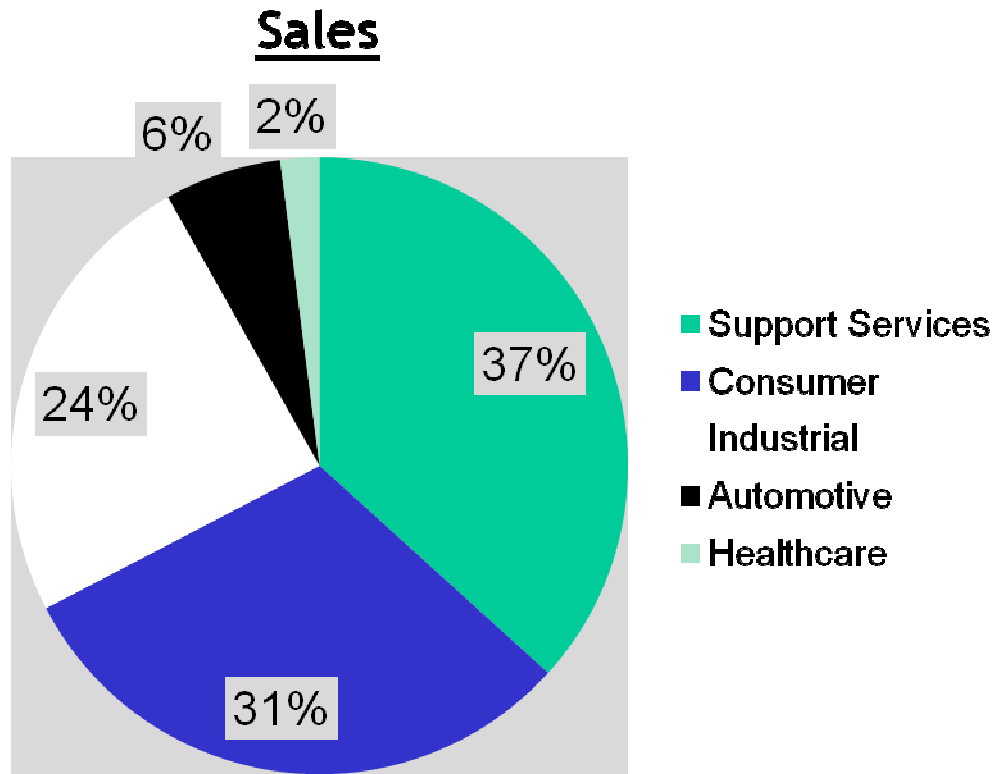
- Volumes are now 20% above their low point in Q4 FY09, but still 17% below Q1 FY09



Note: Indexed vs. Q1 FY08/09 (= 100)

END MARKETS

● Distribution of sales by end market suggests that recovery will mirror the global economy



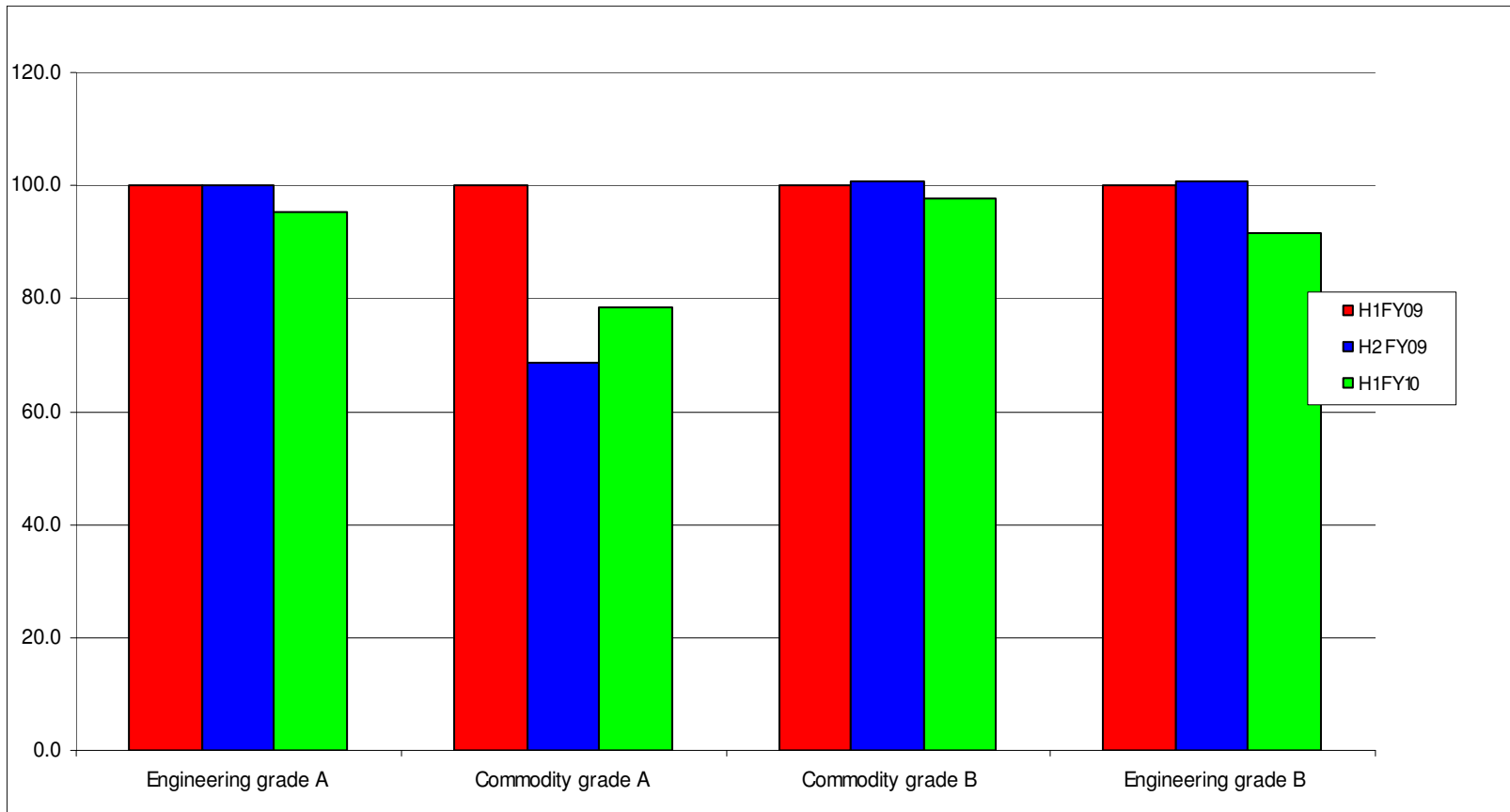
Sub-sectors

- Support Services
 - Electronic components
 - Marketing services
 - Logistics
 - Recycling
- Consumer
 - Food
 - Toiletries
 - Furniture
- Industrial
 - Construction
 - Mining
 - Chemicals
 - Agriculture

RAW MATERIAL PRICE INDEX

- Raw material prices have generally moved downwards

Price Index



Note: Indexed vs. April 2008 (= 100)

FOREIGN EXCHANGE RATES INDEX

- Sterling weakened considerably in H1 FY09; in H1 FY10 it strengthened against the US\$ but held against other major currencies

	Average FX-rates		
	H1 FY09	H2 FY09	H1 FY10
USD (\$)	1.93	1.49	1.59
EUR (€)	1.26	1.14	1.14
JPY (¥)	204	149	152

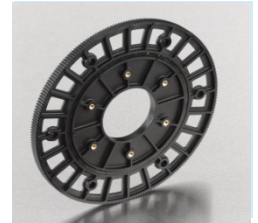
	Period End FX-rates		
	H1 FY09	H2 FY09	H1 FY10
USD (\$)	1.78	1.43	1.62
EUR (€)	1.26	1.08	1.10
JPY (¥)	189	142	143

- Our US\$ hedging policy meant that we were hedged at US\$1.98 in FY09 and at US\$1.55 in FY10

DIVISIONAL HIGHLIGHTS

● Rotating Parts (“BNL”)

- Further cost reduction implemented in Q1 FY10 - £0.4m annual run rate
- 50% of volume being manufactured in Thailand by end FY10
- Tool room operational in Thailand



● Print/Packaging Consumables (“C&T”)

- New distributors - Austria, Turkey, Middle East
- New process technology introduced - costs savings to flow



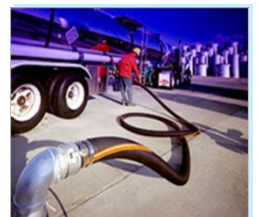
● Specialist Film Packaging (“Palagan”)

- BRC accreditation being sought - leading to new market opportunities
- European sales expansion facilitated by weak Sterling
- “Next generation” film under development



● Hose Mandrels/Films (“Bell”)

- Factory move successfully completed
- Mandrel range expanded - new materials introduced
- Significant new Euro zone customer wins
- Sales partnerships / agents being established in China / India



ANALYSIS OF OPERATING PERFORMANCE HY10

- The following slides look at operating performance measured from different perspectives:
 - **Actual:** H1 FY10 compared to both H1 FY09 and H2 FY09
 - H1 FY09 and H2 FY09 have been restated to exclude discontinued operations as defined in the FY09 accounts
 - **Constant FX:** H1 FY10 restated for FX changes, compared to both H1 FY09 and H2 FY09
 - Shows underlying business performance ignoring the impact of FX changes
- The impact of realised FX gains/losses arising from forward contracts have been taken into gross profit in the relevant periods
 - These derivatives are taken out to hedge short term operating performance

OPERATING PERFORMANCE - ACTUAL

- Operating profitability is broadly unchanged from same period last year
 - Volume decline compensated by some margin improvement and significant cost reduction

	H1 FY10	H1 FY09		
£'000	Actual	Actual	Variance (%)	Comments
TOTAL SALES	12,883	14,905	-13.6%	Volume decline
Gross Profit	5,218	5,830	-10.5%	
GP%	40.5%	39.1%		
Overhead Costs (exc Depr & Amort)	2,587	3,124	-17.2%	Rationalisation
EBITDA	2,631	2,706	-2.8%	
EBITA	2,211	2,371	-6.7%	

Notes

1. Gross Profit, EBITDA and EBITA excludes exceptionals
2. GP is accounting definition (i.e. direct labour included)

OPERATING PERFORMANCE - ACTUAL

- Operating profitability has recovered significantly vs. H2 FY09
 - Volumes similar but gross profit margin up and overheads down significantly

	H1 FY10	H2 FY09		
£'000	Actual	Actual	Variance (%)	Comments
TOTAL SALES	12,883	13,280	-3.0%	Material price deflation
Gross Profit	5,218	4,335	20.4%	
GP%	40.5%	32.6%		Currency
Overhead Costs (exc Depr & Amort)	2,587	2,898	-10.7%	Rationalisation
EBITDA	2,631	1,437	83.1%	
EBITA	2,211	1,049	110.8%	

Notes

- Gross Profit, EBITDA and EBITA excludes exceptionals
- GP is accounting definition (i.e. direct labour included)

OPERATING PERFORMANCE - vs H1 FY09 AT CONSTANT FX

- At constant FX, profitability is down against same period FY09 due to lower sales & GP%
 - GP margins down due to fixed production costs being amortised over lower volumes

£'000	HY10 @ H1 FY09 av fx rates	H1 FY09 Actual	Variance (%)	Comments
TOTAL SALES	12,128	14,905	-18.6%	Volume decline & material price deflation
Gross Profit	4,115	5,830	-29.4%	
GP%	33.9%	39.1%		
Overhead Costs (exc Depr & Amort)	2,475	3,124	-20.8%	Rationalisation
EBITDA	1,640	2,706	-39.4%	
EBITA	1,169	2,371	-50.7%	

Notes

- Gross Profit, EBITDA and EBITA exclude exceptionals

OPERATING PERFORMANCE - vs H2 FY09 AT CONSTANT FX

- Even at constant FX, profitability is significantly improved vs. H2 FY09
 - Primarily due to margin improvement and overhead cost reductions

	HY10 @	H2 FY09		
£'000	H2 FY09 av fx rates	Actual	Variance (%)	Comments
TOTAL SALES	13,035	13,280	-1.8%	Volume uplift; material price deflation
Gross Profit	4,799	4,335	10.7%	
GP%	36.8%	32.6%		
Overhead Costs (exc Depr & Amort)	2,651	2,898	-8.5%	Rationalisation
EBITDA	2,148	1,437	49.5%	
EBITA	1,724	1,049	64.3%	

Notes

1. Gross Profit, EBITDA and EBITA exclude exceptionals

OPERATING PERFORMANCE - ACTUAL BY DIVISION

- Recovery is evident across most divisions
 - Rotating parts reached low point in Q1 FY10, with some recovery in Q2 FY10 evident

	H1 FY09	Variance	H2 FY09	Variance	H1 FY10	
£'000	Actual	(%)	Actual	(%)	Actual	Comments
TOTAL SALES	14,905	-10.9%	13,280	-3.0%	12,883	
- Rotating Parts	6,028	-2.8%	5,857	-15.6%	4,944	Recovery delayed to Q2 FY2010
- Print/Packaging Consumables	3,036	-21.0%	2,398	17.0%	2,807	Recovery since Q1
- Specialist Film Packaging	4,886	-10.7%	4,361	-5.4%	4,128	Material price deflation masking recovery
- Hose Consumables	955	-30.5%	664	51.3%	1,005	Recovery/share gain
at constant fx						
	H1 FY09 @	Variance	H2 FY09 @	Variance	H1 FY10 @	
	H1 FY10 av fx rates	(%)	H1 FY10 av fx rates	(%)	H1 FY10 av fx rates	
£'000	Actual	(%)	Actual	(%)	Actual	Comments
TOTAL SALES	16,050	-18.4%	13,104	-1.7%	12,883	
- Rotating Parts	7,096	-20.1%	5,669	-12.8%	4,944	Recovery delayed to Q2 FY2010
- Print/Packaging Consumables	3,060	-21.6%	2,398	17.1%	2,807	Recovery since Q1
- Specialist Film Packaging	4,886	-10.7%	4,361	-5.4%	4,128	Material price deflation masking recovery
- Hose Consumables	1,008	-32.9%	676	48.7%	1,005	Recovery/share gain

OPERATING PERFORMANCE - ACTUAL BY REGION

- Some recovery is evident in all regions
 - In UK masked by material price deflation
 - Elsewhere sterling weakness is assisting by boosting sales or enabling share gain

	H1 FY09	Variance	H2 FY09	Variance	H1 FY10	
£'000	Actual	(%)	Actual	(%)	Actual	Comments
TOTAL SALES	15,047	-12.7%	13,137	-1.9%	12,883	
- UK	6,271	-12.1%	5,509	-8.2%	5,057	Material price deflation masking recovery
- Rest of Europe	3,063	-32.3%	2,072	14.5%	2,372	FY10 Share gain
- USA	1,658	2.1%	1,692	-3.2%	1,638	
- BRIC	1,209	-8.6%	1,105	9.4%	1,209	
- Other	2,846	-3.1%	2,758	-5.5%	2,607	

At constant FX rate						
	H1 FY09 @	Variance	H2 FY09 @	Variance	H1 FY10	
£'000	H1 FY10	(%)	H1 FY10	(%)	Actual	Comments
	av fx rates		av fx rates			
TOTAL SALES	16,050	-18.4%	13,104	-1.7%	12,883	
- UK	6,271	-12.1%	5,509	-8.2%	5,057	Material price deflation masking recovery
- Rest of Europe	3,244	-35.9%	2,080	14.0%	2,372	FY10 Share gain
- USA	1,936	-16.1%	1,625	0.8%	1,638	
- BRIC	1,270	-5.6%	1,199	0.9%	1,209	
- Other	3,330	-19.2%	2,692	-3.1%	2,607	

OPERATING PERFORMANCE - SUMMARY

Summary

- Operational profitability has recovered to pre Sept 08 level due to
 - Improving volumes
 - Cost reductions
 - Sterling weakness
- Volumes appear to be recovering from low point in Q4 FY09
 - Significant recovery required to pre-recession levels
- All our businesses are seeing some improvement
 - Significant new business in Euro zone countries
 - Sterling weakness is assisting share gain
- Our international focus is benefitting us
 - BRIC countries are strongest
 - Other major regions are picking up
 - Regionally the recovery is weakest in the UK

FINANCIAL PERFORMANCE H1 FY10

Our statutory accounts include adjustments for non-trading items to show underlying performance:

£'000	Statutory	"Underlying"	Notes
EBITA	2,211	2,211	
Amortisation	559		
EBIT	1,652	2,211	
Exceptionals	561		Redundancy costs at BNL and Group
Interest	665	665	
Fx Translation	-1,070		Unrealised fx loan gain and derivative gains
PBT	1,496	1,546	
Tax	215	433	28% applied to Underlying
PAT (continuing)	1,281	1,113	
Discontinued Ops	0		
PAT	1,281	1,113	
EPS (p)	4.8	4.1	26.95m shares in issue

Notes

1. EBITA excludes exceptionals

NET DEBT

- Net debt reduction of £1.5m in the half year

	£,000	Comments
Net Debt @ March 31st 2009	-19,597	Actual Bank Debt of £20,000k ; Cash £407k
H1 09/10		
EBITDA	2,631	
Exceptional costs	-520	
Change in Working Capital	172	
Capital Expenditure	-431	
Operating Cash Flow	1,852	
Net Interest paid	-665	
Bank & DD fees	-150	
Other		
Fx Loan Translation gain	393	
Net Debt @ Sept 30th 2009	-18,167	Actual Bank Debt of £18,938k ; Cash £771k

- The Group also has a bank overdraft facility of £2m which can be drawn upon

KEY RATIOS

Other key ratios:

	Ratio	Comments
Interest Cover (EBITDA/Interest Paid)	4.0	
Debt/Total Capital	57%	
Debt Service Cover	1.3	
Net Senior Debt Leverage	3.7	
Capex/Sales	3%	Low capex spend
WC/Sales	18%	WC continues to be well controlled

OUTLOOK

- Continued recovery in global economy seems likely
 - China, India and SE Asia expected to lead
 - UK likely to be slower
 - Speed of recovery uncertain
- We are well positioned to benefit from recovery
 - High export/international focus
 - Significant and increasing exposure to BRIC countries
 - Thai factory
- Very focused on new business opportunities
 - Further geographic expansion
 - New products
- Sterling weakness is likely to persist
 - Competitive advantage
 - Share gain potential

STRATEGY

- Acquisitive growth remains “on the back burner” for now
 - No opportunities yet emerging
 - Valuation mismatch
 - Funding still difficult
- Current priority is organic growth and cash generation to deleverage
 - Current rate of deleveraging is £2-3m per annum
 - Significant in relation to current market capitalisation
- As we deleverage we anticipate that acquisition opportunities will return