

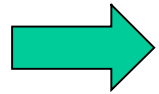


PLASTICS
Capital plc

Interim Results Presentation
Six months ended 30 September 2010

December 2010

PRESENTATION OUTLINE



- Highlights
- Financial Review
- Strategy & Current Priorities

HEADLINE RESULTS - STATUTORY BASIS

£m	H1 10/11	H1 09/10	Change %
SALES	16.3	12.9	+26.5%
EBITDA	2.7	2.1	+30.0%
PBT	2.1	1.5	+40.4%
E.P.S.	7.0p	4.8p	+45.8%
Net Bank Debt	14.3	17.6	-19.1%

➤ Very strong performance on a statutory basis

GROUP STRATEGIC PRIORITIES - PROGRESS ACHIEVED

● Pay down bank debt

- Net bank debt reduced by £1.9m to £14.3m at end of 30 Sept 2010
 - » 2.75x run rate EBITDA at end H1 10/11
- Sale & Leaseback completed Oct 2010
 - » Reduces net bank debt by further £1.2m
 - » <2.5x run rate EBITDA
- Bank debt coming into acceptable range and continuing to fall

● Drive organic growth

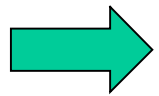
- Significant enhancement of sales resource through the recession
 - » 35% increase in sales personnel
- Volumes up 21.3% over H1 2009/10
 - » Net new business accounts for 52% of pick up
 - » 18 key account wins in last 18 months
- Pipeline of new business opportunities is strong

OTHER KEY DEVELOPMENTS

- Sales offices established in India and China
 - Set up of local subsidiaries in progress
 - Matrix and bearings leading the way
- Thailand factory continues to progress
 - Manufacturing more than 50% of all bearings and increasing
 - First direct Thai customer secured
 - Now serving west coast U.S.A.
- New products/capabilities also driving sales
 - BRC accredited films
 - Integrated and composite bearings
 - New materials for mandrels
- Capacity expanded or in process of expansion
 - For matrix and mandrels

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UNDERLING OPERATING PERFORMANCE - CONSTANT FX

- Excludes amortisation, exceptionals and unrealised fx gains/losses
- Enables true comparison of operating performance

£m	H1 10/11	H1 09/10	<i>Change %</i>
Sales	16.3	13.0	+25.4%
Gross Profit	6.2	5.1	+22.9%
<i>GP %</i>	38.0%	38.7%	
Overheads	3.4	3.0	+13.6%
<i>OH %</i>	21.1%	23.2%	
EBITDA	2.8	2.0	+36.9%
<i>EBITDA %</i>	16.9%	15.5%	

GROSS PROFIT, OVERHEADS & STAFF

On an underlying constant fx basis :

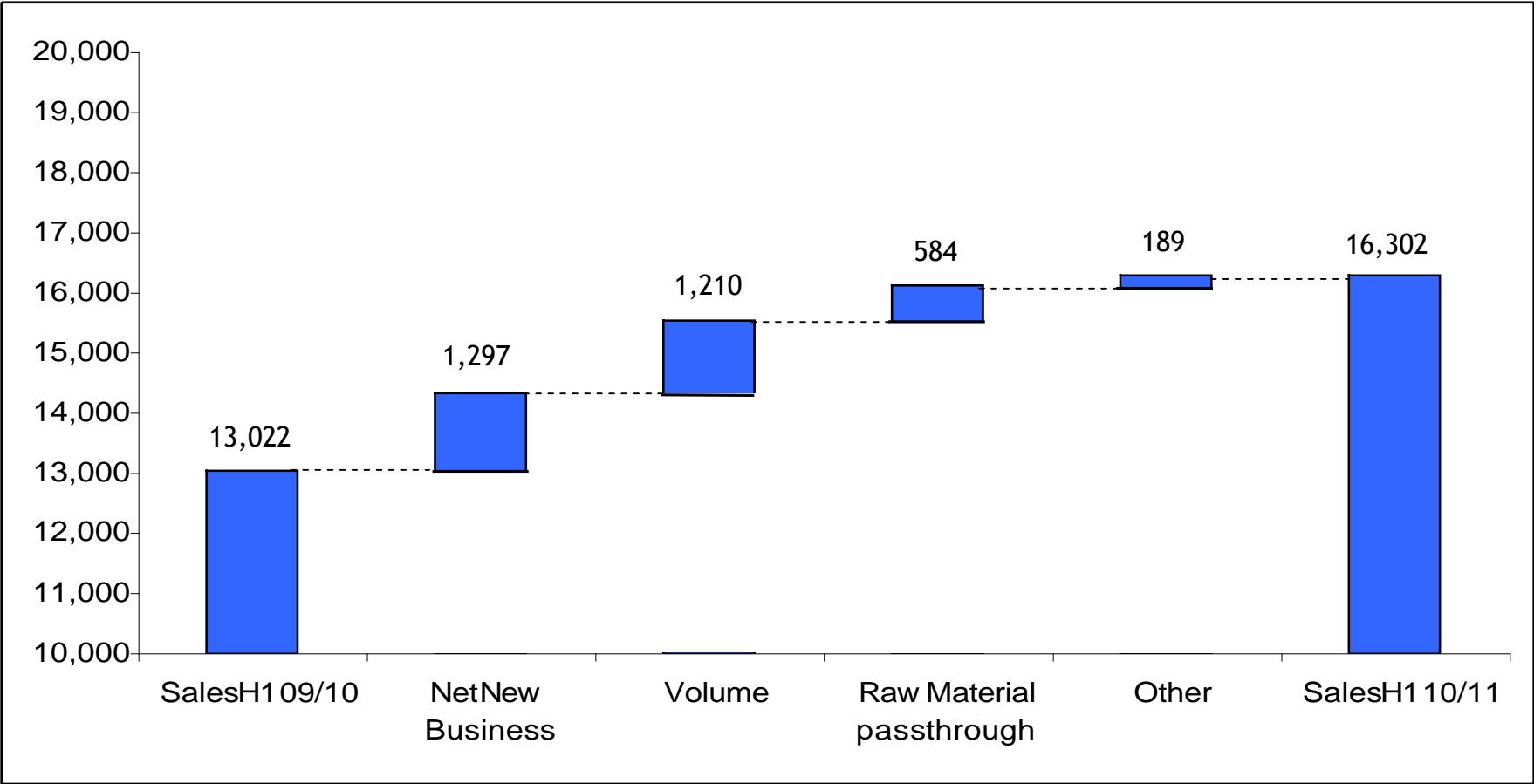
- Gross profit has increased with volume
 - Small reduction in %GP is due to raw material price increase pass-through

- Overhead costs have increased by 10% when volumes have increased 21%
 - Additional sales staff, travel and marketing
 - Set up costs in China and India
 - Some additional management to support growth
 - Additional distribution costs due to volume increases

- Average staff numbers have increased to 294 from 279
 - Increase of 5.4%
 - Thailand has increased from 73 to 81

SALES GROWTH - DRIVERS

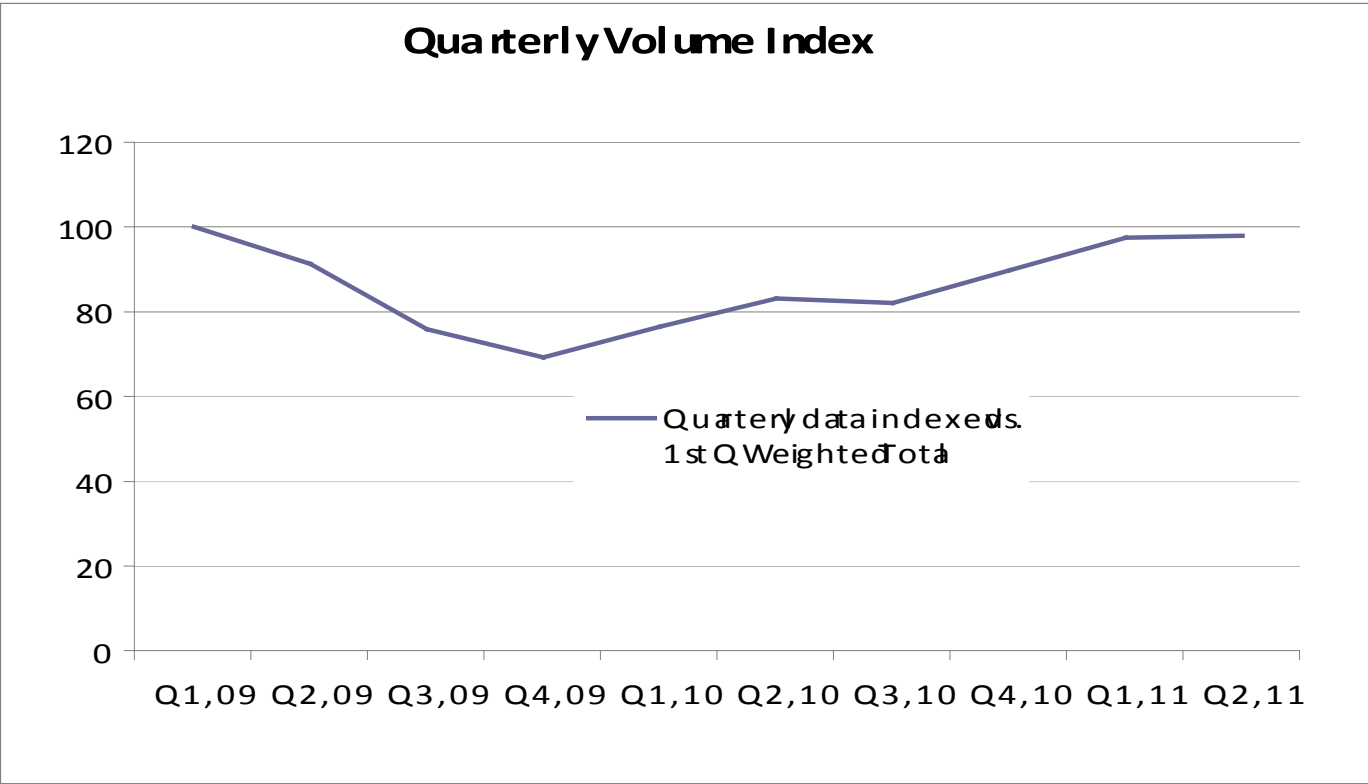
- Turnover increase driven by net new business and volume recovery



Note - the chart has been prepared on an underlying constant fx basis

SALES VOLUME BY QUARTER SINCE Q1 08/09

● Volumes are almost back to where they were before the recession

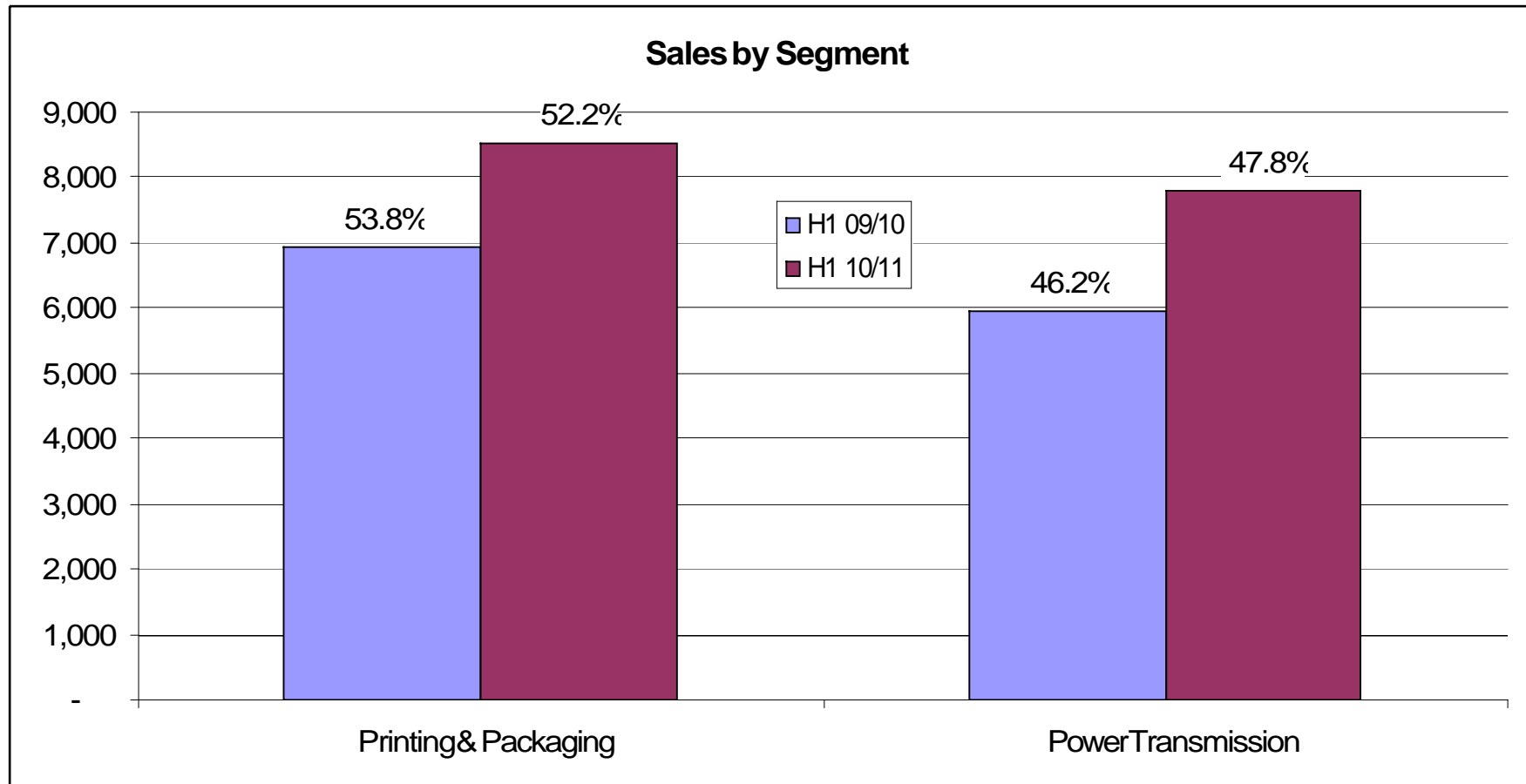


Note: Indexed vs. Q1 FY08/09 (= 100)

- H1 09-10 average index value = 80; H1 10-11 average index value = 97
- Annual volume improvement has been 21%

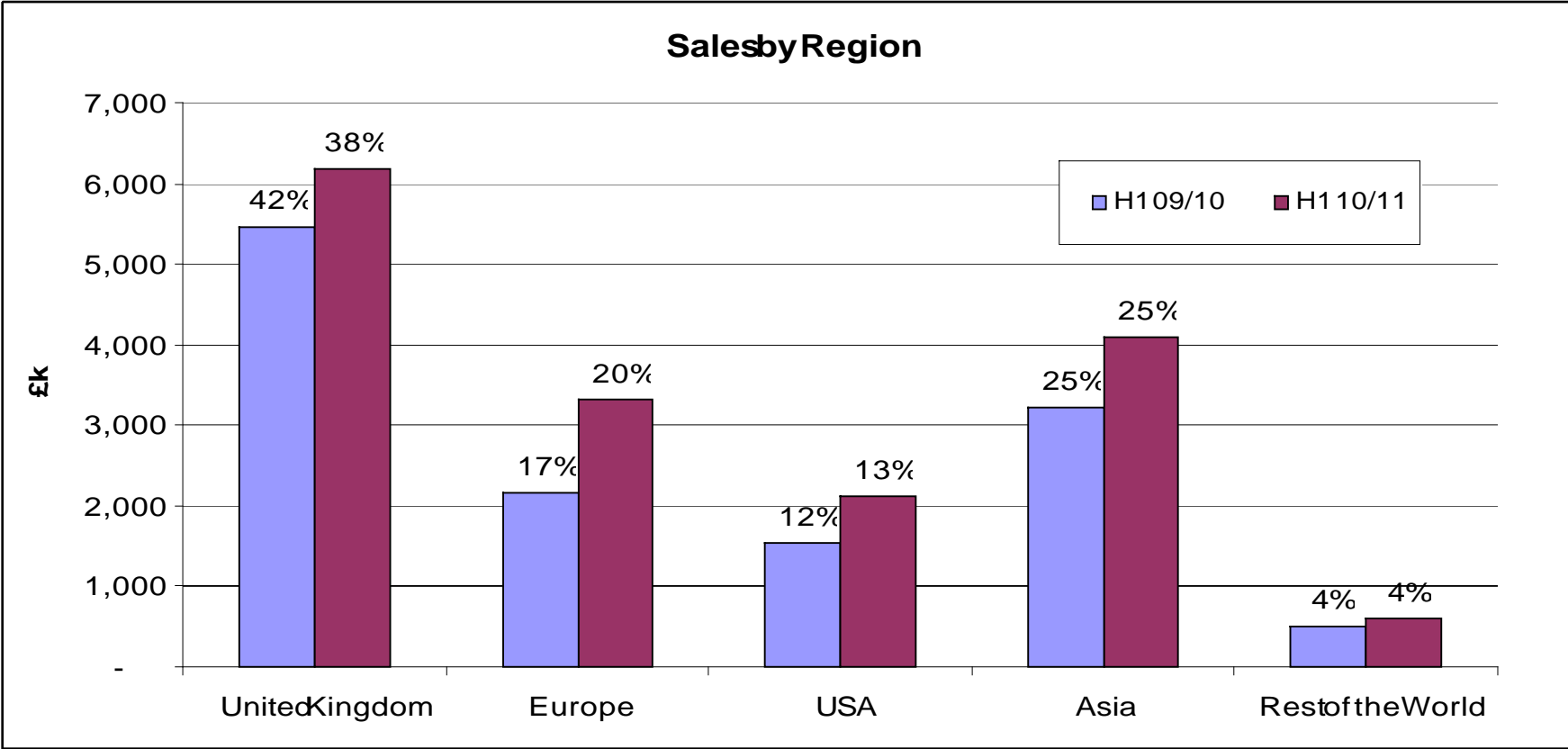
SALES - BY SEGMENT

- Printing & Packaging up 23%
- Power Transmission up 31%



SALES - BY REGION

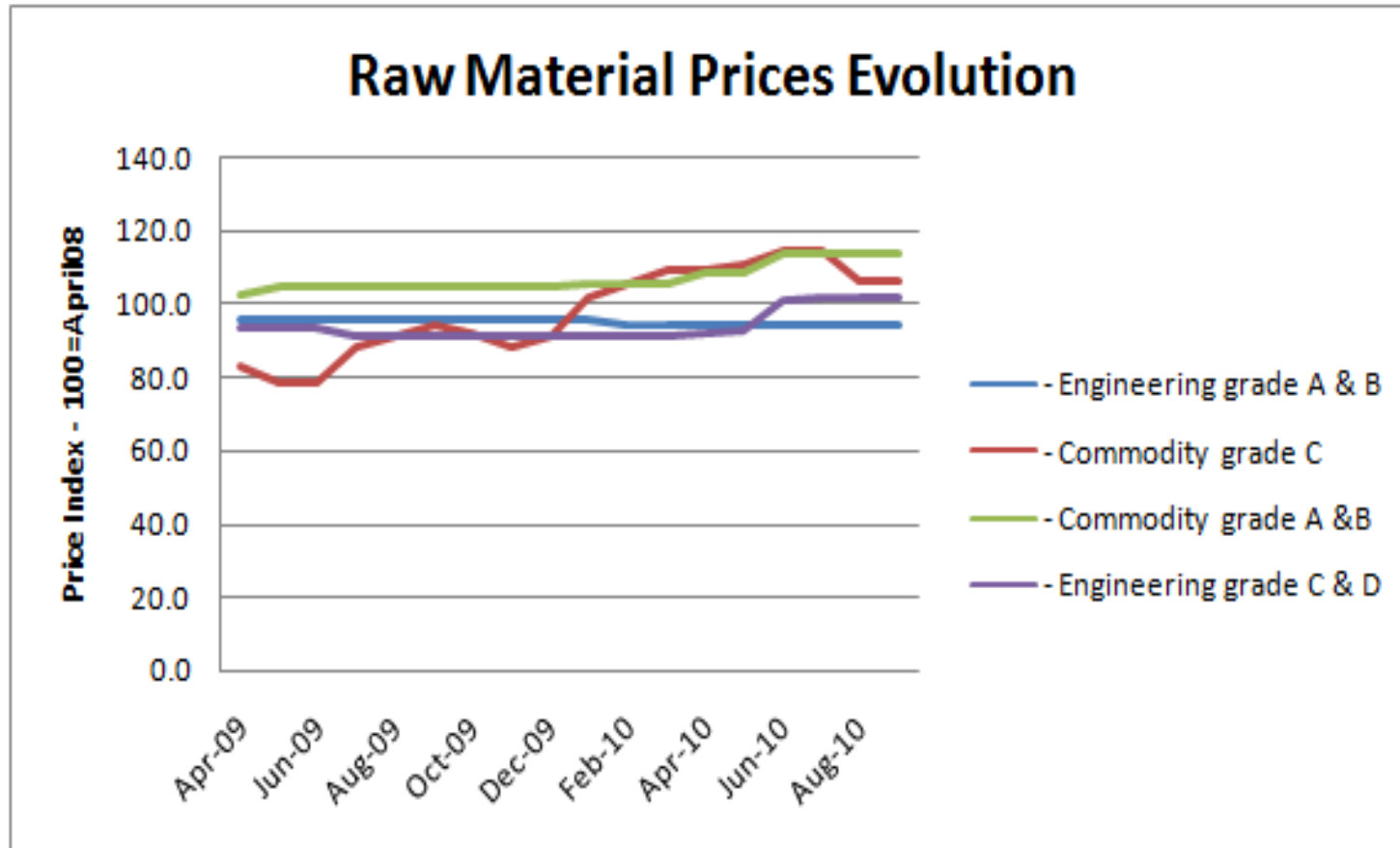
- Sales outside UK continue to be grow fastest
 - Growth in Europe and US reflects severity of downturn last year



- H1 10/11 UK sales represent 38% of total, down from 42% in H1 09/10

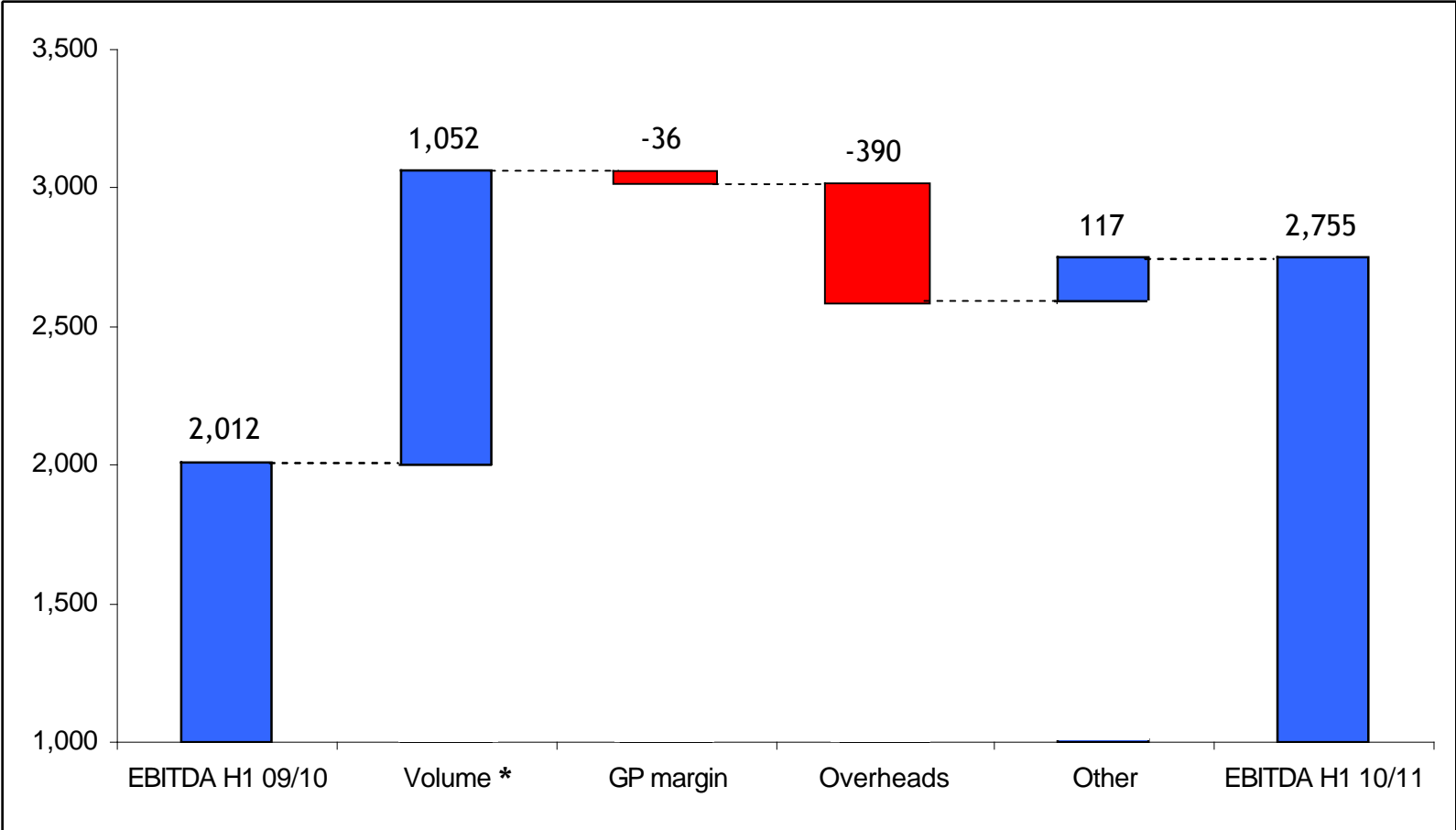
RAW MATERIAL PRICES

- Relatively steady for engineering grades but upwards for commodity grades



EBITDA BRIDGE

- Volume increases have driven profitability in H1 10/11



Note - the chart has been prepared on an underlying constant fx basis

* - constant gp impact

PROFIT ATTRIBUTABLE TO SHAREHOLDERS

Underlying Basis

£'000	Statutory H1 10-11	Underlying H1 10-11	Constant fx Underlying H1 09-10	Notes
EBITDA	2,755	2,755	2,012	
Depreciation	399	399	421	
EBITA	2,356	2,356	1,591	
Amortisation	559			Not an "economic" cost
EBIT	1,797	2,356	1,591	
Exceptionals	63			Restructuring / Integration costs excluded
Interest	605	605	655	
Fx Translation	-971			Unrealised fx loan and derivative gains excluded
PBT	2,100	1,751	936	
Tax	214	490	262	28% applied to Underlying
PAT	1,886	1,261	674	
EPS (p)	6.86	4.59	2.45	10/11 - 27.49m shares in issue

➤ EPS - underlying for H1 10/11 is 33% below Statutory but is 87% up on underlying H1 09 / 10 (at constant fx)

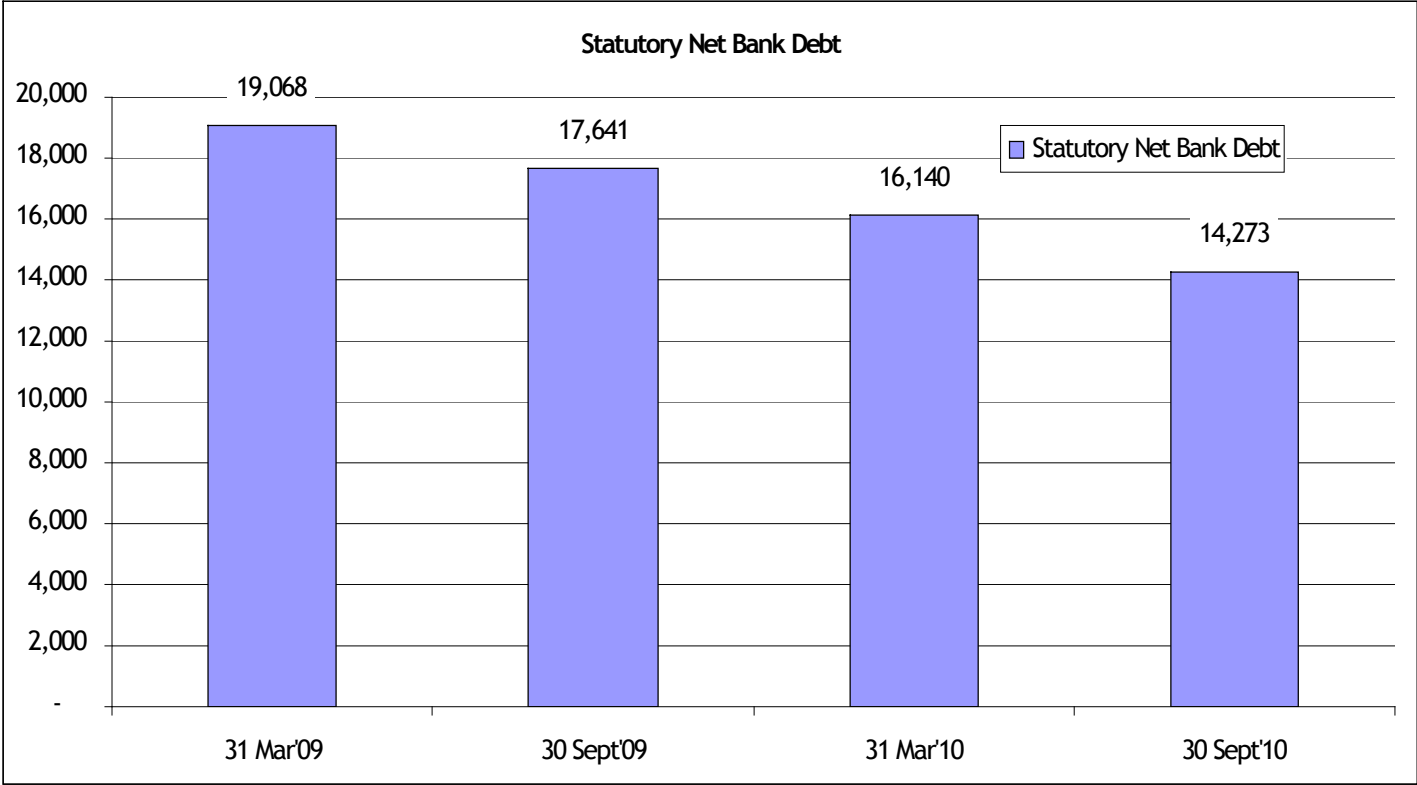
CASH FLOW

- Cash flow has been strong - £2.3m in the half year
 - Net bank debt has reduced by £1.9m in the half year
 - In addition, the S&L in Oct'10 realised disposal proceeds of £1.3m

	£,000		Comments
Net Bank Debt @ March 31st 2010	-16,140		
FY09-10			
EBITDA	2,755		
Exceptional costs	-63		Restructuring / integration costs
Change in Working Capital	-63		Good working capital control
Capital Expenditure	-350		Lower than norm
Operating Cash Flow	2,279		
Net Interest paid	-586		
Fx Loan Translation gain	174		
Net Bank Debt @ Sept 30th 2010	-14,273		

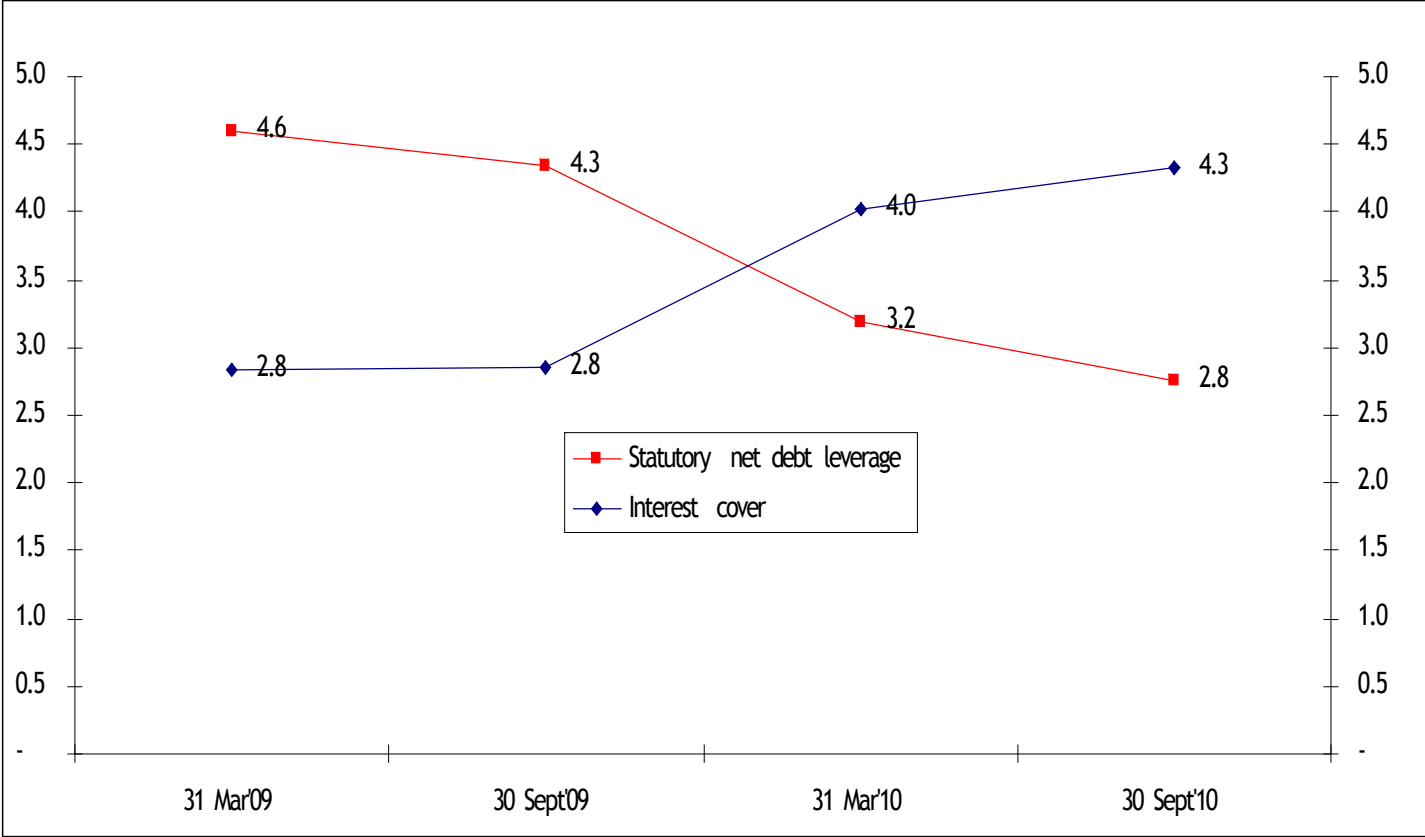
DEBT REDUCTION

● Since 31 March 09, Net bank debt has reduced by c£5m



GEARING

● Net debt leverage and interest cover have also both improved

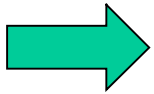


PRESENTATION OUTLINE

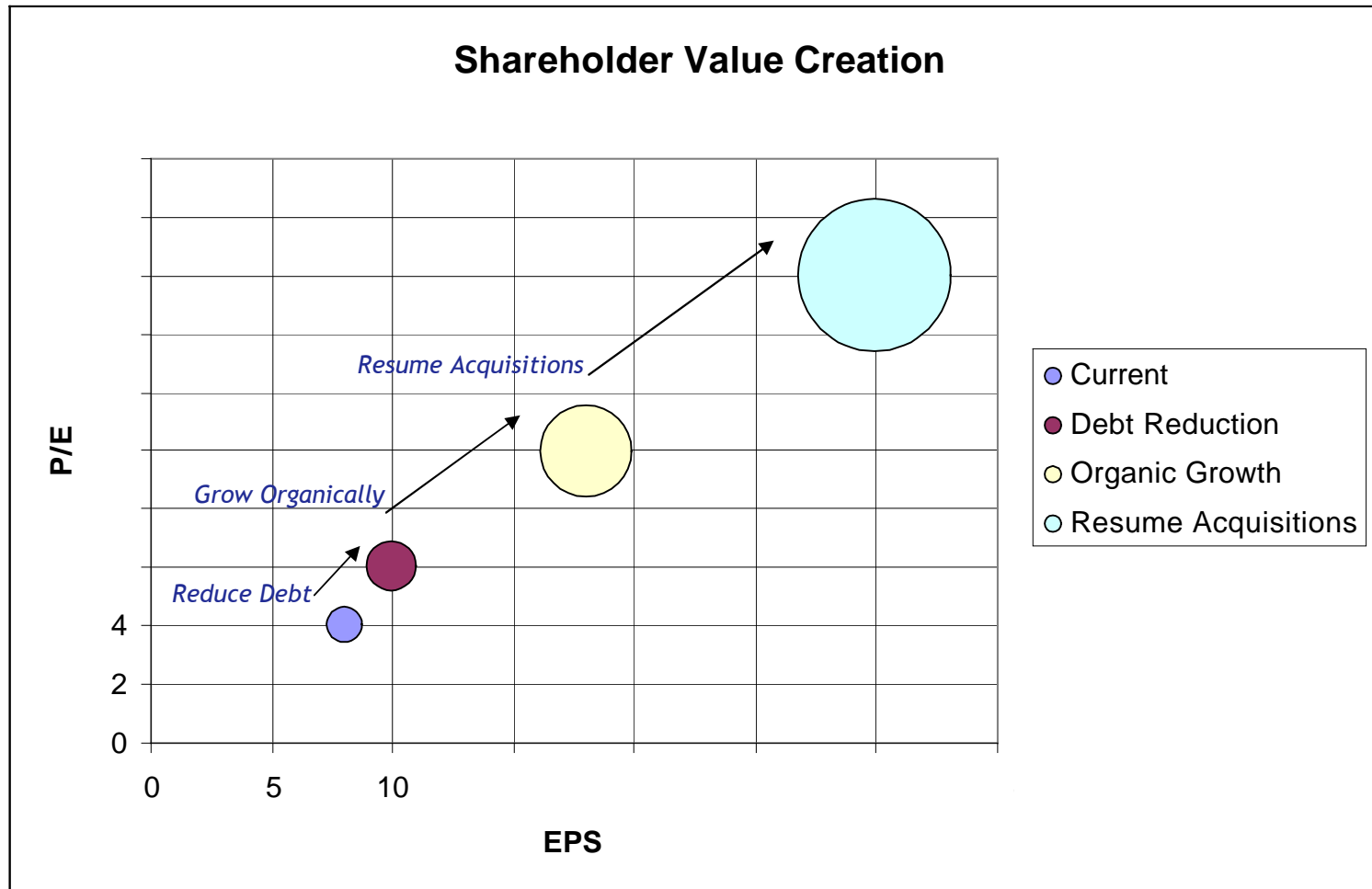
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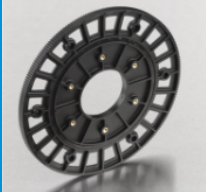







- Strategy & Current Priorities



CORPORATE STRATEGY



MARKET LEADERSHIP OF OPERATING BUSINESSES

Key Products	Application	Competition / Substitute	Competitive Advantages
<p>Plastic Bearings</p> 	<p>End products include photocopiers, ATMs, CCTV cameras</p> 	<ul style="list-style-type: none"> • Metal bearing • Small local producers • Plastics bushes 	<ul style="list-style-type: none"> • Weight, cost, feature integration, Non-lube, corrosion resistant • Technical expertise/solutions • Quality reliability, scale, cost, reputation • Reliability, performance in use (friction)
<p>Hose Mandrels</p> 	<p>Mandrel made hoses include high pressure water, hydraulic, a/c hoses</p> 	<ul style="list-style-type: none"> • Metal poles • Rubber mandrel • Free extruded mandrels 	<ul style="list-style-type: none"> • Flexibility, long lengths • Tensile strength, dimensional stability and accuracy • Dimensional stability, tensile strength, no voids
<p>Creasing Matrix</p> 	<p>Used in the manufacture of cardboard boxes</p> 	<ul style="list-style-type: none"> • Hand creasing • Small local producers • Pertinax • CITO 	<ul style="list-style-type: none"> • Quality – accuracy and reliability, cost (depends on labour cost) • Product range, reputation/brand, quality – reliability • Flexibility, costs • Plastic matrix – lower cost solution
<p>Film Packaging</p> 	<p>High strength plastic films, bags & sheets</p> 	<ul style="list-style-type: none"> • Various 	<ul style="list-style-type: none"> • Film strength, thickness, cost, speed of service

ORGANIC GROWTH PRIORITIES

- Continue to convert key account prospects
 - 70 accounts currently >£100,000 ; 60% of turnover
 - Target - 100 within 2 years
 - Key Areas
 - 5 “core” applications for plastic bearings
 - ATM, office machinery, CCTV, automotive, conveyors
 - Major rubber hose manufacturers
 - European industrial film customers
 - Developing market matrix distributors
- Continue investment in new products and launch in next 6-12 months
 - Narrow width and ultra-thin industrial film packaging
 - Improved types of matrix and mandrels
 - Composite bearings, miniature bearings, plastic gears and shafts
- Open up direct sales to customers in China and India

IN CONCLUSION

- Recovery is now led by strong volume growth
- Underlying profit margins and cash flow are very good
- Bank debt coming down into comfortable range
- Potential for organic growth is excellent
- Acquisitions likely to come back on the agenda during 2011-12