



Interim Results Presentation November 2011



Innovative plastic products for global markets...

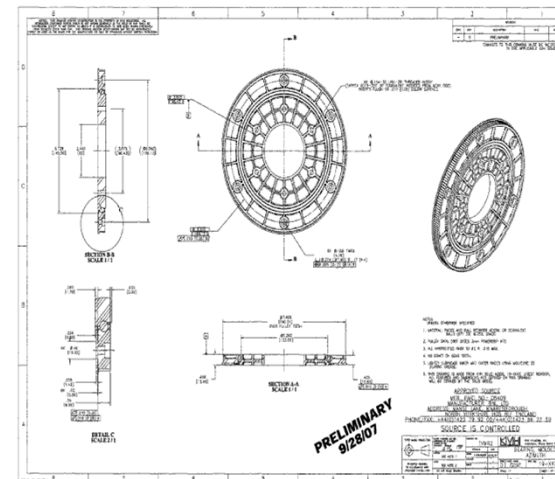
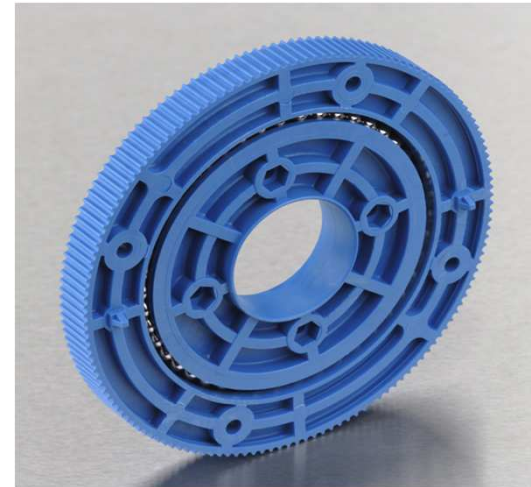
Outline



- **Introduction to Plastics Capital**
- Interims - Financial Highlights
- Interims - Operational Highlights
- Summary & Outlook

Group Overview

- **Highly engineered plastic products**
 - Significant design and development content
 - Bespoke material formulations
 - Proprietary production processes
- **Long term customer relationships**
 - Major OEMs
 - Collaborative design relationships
 - Integrated into business system
- **Global reach**
 - c.65% of sales outside UK, 80 countries
 - c.25% of sales to emerging markets
 - Key focus on China and India
- **Excellent organic growth potential**
 - Plastic substituting metal and other materials
 - Customer-driven product innovation
 - Strong new business pipeline
- **Strong financial characteristics**
 - Sales £33.5m, EBITA £4.9m (FY10-11)
 - High cash conversion
 - Appropriate gearing



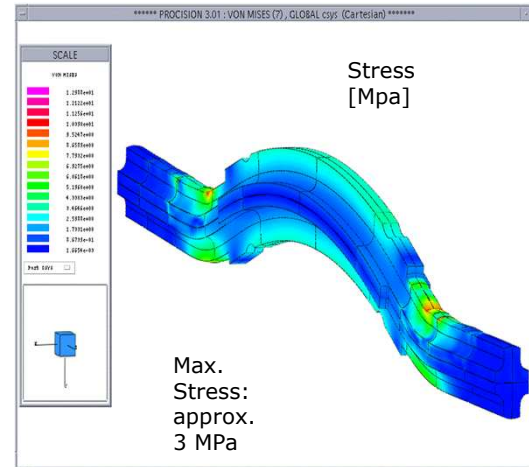
Highly Engineered Plastic Products

- **Diverse product groups**
 - Rotating devices – bearings, shafts, gears
 - Protective industrial films
 - Technical profiles and mandrels
 - **Global leaders in most of these areas**
- **Technically challenging to produce**
 - High precision – tight dimensional tolerances
 - Demanding performance standards – e.g. wear, finish
 - Highly automated mass production processes
 - Internally developed process machinery/techniques
- **Plastic substituting inferior materials**
 - Lighter, lower cost, feature integration
 - Corrosion resistant, self lubricating
 - Special blends being developed for higher performance
 - Long term growth trend
- **Diverse applications and end markets**
 - Paper pathways – ATMs, office machinery
 - Security cameras – PTZ mechanisms
 - Automotive – weight reduction a key priority
 - Production consumables – on going demand
 - **Many more as yet unexploited**



Long Term Customer Relationships

- **Major OEMs**
 - Ricoh, Nexteer, NCR and many others
 - Stringent qualification procedures
 - Sole source supplier frequently
- **Collaborative relationships**
 - Lengthy design and development requirements
 - Bespoke solutions and tooling
 - Extensive prototyping and testing
 - Good visibility of new business pipeline
- **Excellent retention**
 - Unique capabilities - highly valued
 - Excellent quality and service reputation
 - >90% y-o-y customer retention
- **Key account strategy**
 - Top 70 customers each have >£100k sales per annum
 - Represent 60% of total sales
 - Gaining potential key accounts at a rate of 1-2 per month
- **Strong pipeline**
 - Sales build gradually from new accounts
 - 1-5 years for full penetration
 - Good visibility of new business revenues



Global Reach

- **Well established international network**
 - 4 factories in UK, 1 in Thailand
 - Sales offices and distribution centres in Boston, Tokyo, Shanghai and Mumbai
 - Distributors in 80+ countries
- **Global operating platform**
 - We can and do sell in US, design in UK, manufacture in Thailand, distribute in India
 - Enables us to service multinational blue chip OEMs, wherever they are located
 - Key capability and advantage
- **Globally competitive niche products**
 - No.1 in plastic bearings
 - No.1 in plastic creasing matrix
 - No.1 in hydraulic hose mandrel
- **Thai factory set up in 2008/09**
 - Cuts delivery times to Asian customers
 - Improves cost position – labour & distribution costs
 - Demonstrates commitment to global capability
- **Significant exposure to fast growing regions**
 - 30% of sales outside Europe and North America
 - Sales offices set up in 2010 in Shanghai and Mumbai
 - Local offices key to winning business



Organic Growth Potential

- **Customer driven product innovation**
 - 3-4% of sales annually spend on design and development
 - Key areas
 - Automotive – weight reduction priority
 - Office equipment – toner bearings
 - Creasing matrices – improved durability
 - Hose mandrels – longer life, greater tensile strength
 - Films – thinner, stronger
- **Acquisition of new accounts**
 - 64 key accounts represent 59% of sales
 - 11 accounts won over last year
 - Many more in pipeline
 - Lead-time to full revenues – 12 to 48 months
- **China and India**
 - Orders worth ~£0.5m annual value already won
 - Big pipeline of opportunities
- **Development of existing accounts**
 - Most accounts have further potential
 - Product improvements and extensions are key
 - Examples:
 - Complex bearing assemblies vs simple bearings
 - Thinner/stronger films
 - Different types of mandrel, protective films




Financial KPIs

| KPI | Period | Factor |
|---------------------|---------------|--------|
| Annual Sales Growth | 09-11 Cagr | 9% |
| Operating Margin | 09-11 Ave. | 14.2% |
| Cash Conversion | 09-11 Ave. | 74% |
| Annual eps growth | 09-11 Cagr | 38% |
| ROCE | 09-11 Ave. | 28% |
| Net Debt Leverage | March 31 2011 | 2.0x |
| Interest Cover | March 31 2011 | 5.0x |

Note: Amortisation, exceptionals and unrealised fx gains/losses excluded

- Good growth in sales and profits
- Attractive margins and cash flow generation
- Low capital investment required
- Healthy balance sheet

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HY 11-12 Underlying Results

Underlying Basis

| £m | H1 11-12 | H1 10-11 | % |
|------------|----------|----------|------|
| Sales | 16.3 | 16.3 | 0% |
| EBITDA* | 2.7 | 2.7 | 0% |
| Op Profit* | 2.3 | 2.4 | -3% |
| PBT* | 2.0 | 1.8 | +10% |
| eps* (p) | 5.3 | 4.8 | +10% |
| dps (p) | 0.33 | - | n/a |
| Net Debt | 11.3 | 14.9 | -24% |

- Strong earnings growth
- Interest costs reduced due to lower debt & refinancing
- Revenue maintained – despite uncertain markets
- Net debt significantly reduced
- Maiden dividend

* Excluding amortisation, exceptionals and unrealised fx gains/losses

H1 11-12 Statutory vs Underlying

Statutory vs. Underlying Basis

| £'000 | Statutory H1 11-12 | Underlying H1 11-12 | Notes |
|--------------------------|-----------------------|------------------------|--|
| Underlying EBITDA | 2,717 | 2,717 | |
| Exceptionals | 326 | - | Gain on disposal of Skor shares |
| EBITDA | 3,043 | 2,717 | |
| Depreciation | -432 | -432 | |
| EBITA | 2,611 | 2,285 | |
| Amortisation | -560 | - | |
| EBIT | 2,051 | 2,285 | |
| Interest | -353 | -313 | Difference = Amortisation of deal fees |
| Exceptionals | -1,036 | - | Write-off of capitalised deal fees on prior refis and break fee on old interest rate hedge |
| FX Translation | -98 | - | Unrealised fx loan and derivative losses/gains |
| PBT | 564 | 1,972 | |
| Tax | -150 | -512 | 26% charge to underlying |
| PAT | 414 | 1,460 | |
| EPS (p) | 1.5 | 5.3 | |

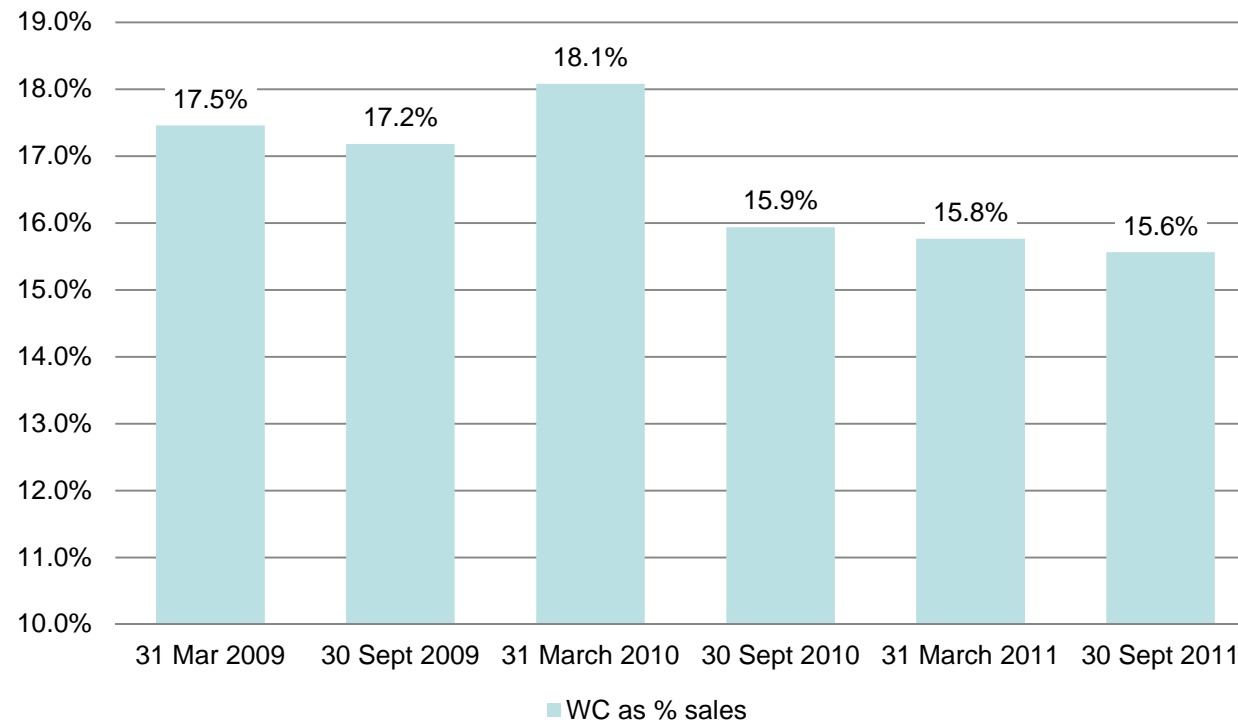
Cash Flow

Cash flow (Half year)

| | £'000 | Comments |
|---|----------------|---|
| Statutory Net Debt @ 31 March 2011 | -12,342 | |
| H1 11-12 | | |
| EBITDA | 2,717 | |
| Exceptional Costs | -73 | |
| Change in Working Capital | -165 | |
| Capital Expenditure & Investment | -399 | |
| Operating Cash Flow | 2,080 | |
| | | |
| Net Interest Paid | -314 | |
| Disposal Proceeds | 442 | Sale of Skor investment |
| Repayment of PLA4 Def Con | -644 | Palagan deferred consideration |
| Fx Loan Translation Gain | 72 | |
| Other | -542 | Total refinancing costs and interest hedge break fees |
| | | |
| Statutory Net Debt @ 30 Sept 2011 | -11,248 | |

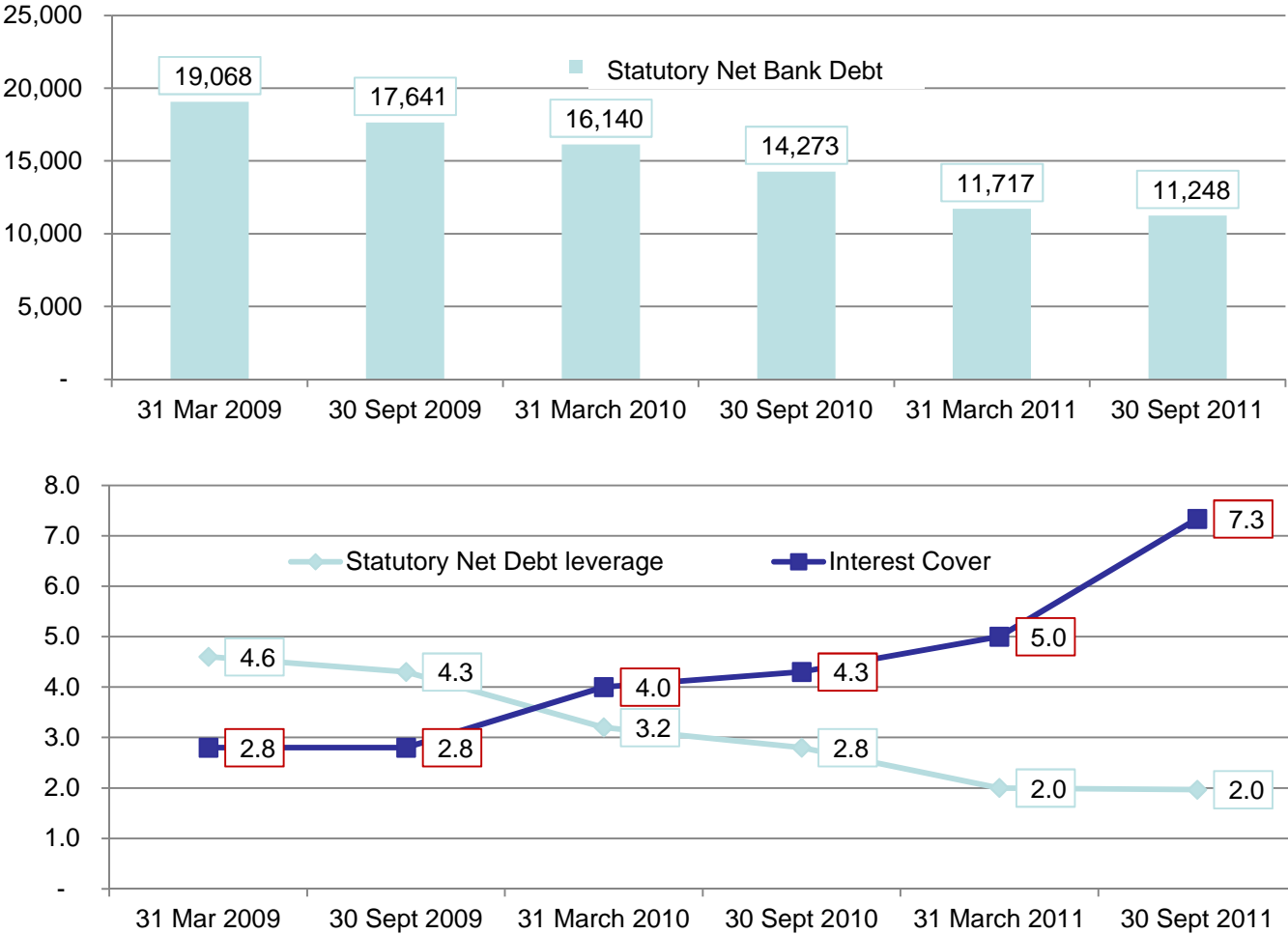
Working Capital

➤ Working capital continues to be tightly managed



Debt, Leverage and Interest Cover

➤ Debt has reduced, leverage and interest coverage have both improved



Capex and Headcount


➤ **Capital expenditure** – Conservative approach has been taken

| Total Capex | H1 11/12 | H1 10/11 |
|----------------------|------------|------------|
| | £'000 | £'000 |
| Maintenance | 207 | 187 |
| Capacity Improvement | 105 | 130 |
| Cost Improvement | 27 | 33 |
| Total | 339 | 350 |

➤ **Employees** - Sales staff have increased by 30% y-o-y, little change elsewhere

| Total Employees at period end | | | |
|-------------------------------|------------|------------|------------|
| | 01-Apr-10 | 31-Mar-11 | 30-Sep-11 |
| Directors & Management | 21 | 22 | 22 |
| Admin | 15 | 15 | 16 |
| Sales & Distribution | 23 | 28 | 30 |
| Production & Engineering | 241 | 241 | 241 |
| Total | 300 | 306 | 309 |

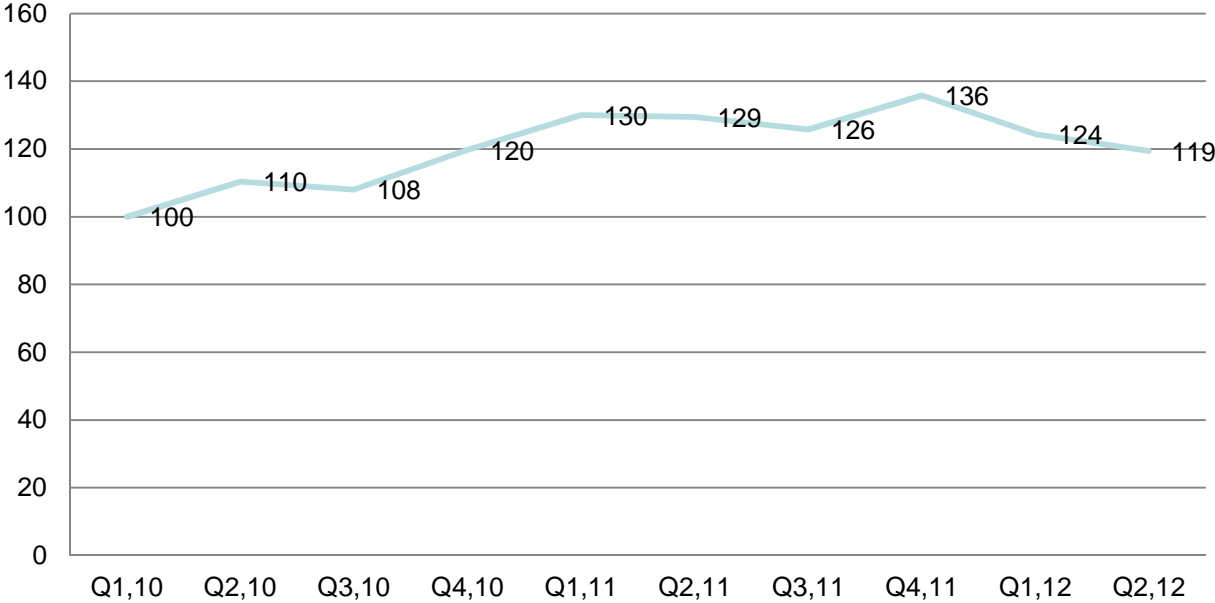
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Sales Volume by Quarter since Q1'10

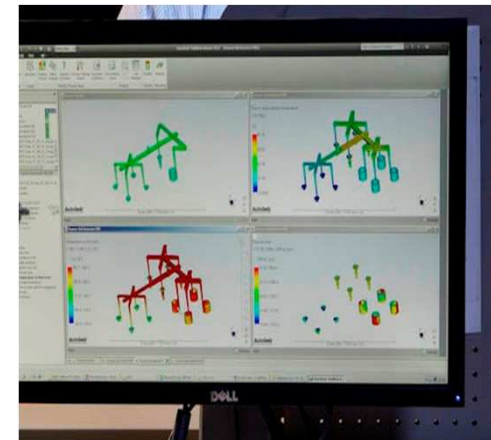
- Volumes have been weak since April
 - Net new business (i.e. gains minus losses) has contributed 2.3% growth
 - Retained business is down 7% H1 11-12 vs H1 10-11
 - Mix has improved - so leaving sales in value terms unchanged H1 11-12 vs 10-11

Volume Index by Quarter



New Business

- **Net new business contributed 2.3% growth in H1**
 - Underlying trend is superior
 - Some delays in technical approvals
 - New distributors being qualified
- **Considerable new business won in last 18 months**
 - £4.6m annualised sales value
 - £11m annualised sales value when “mature”
 - New accounts, new products and new geographies
- **11 new key accounts won in H1 11-12**
 - 36 total won in last 18 months
 - 6 losses over same period
- **Recent examples**
 1. **Japanese hydraulic hose manufacturer**
 - Has been using locally made wire centred TPX mandrel
 - High flexibility but poor tensile strength
 - Low yields and high production costs
 - Substituted with Bell’s nylon type “M” mandrel
 - High flexibility and high tensile strength
 - Lower production costs
 2. **Chinese automotive supplier**
 - Recently acquired one of our US customers
 - Wants BNL’s US parts for its Chinese models
 - Our Shanghai subsidiary is fulfilling the order



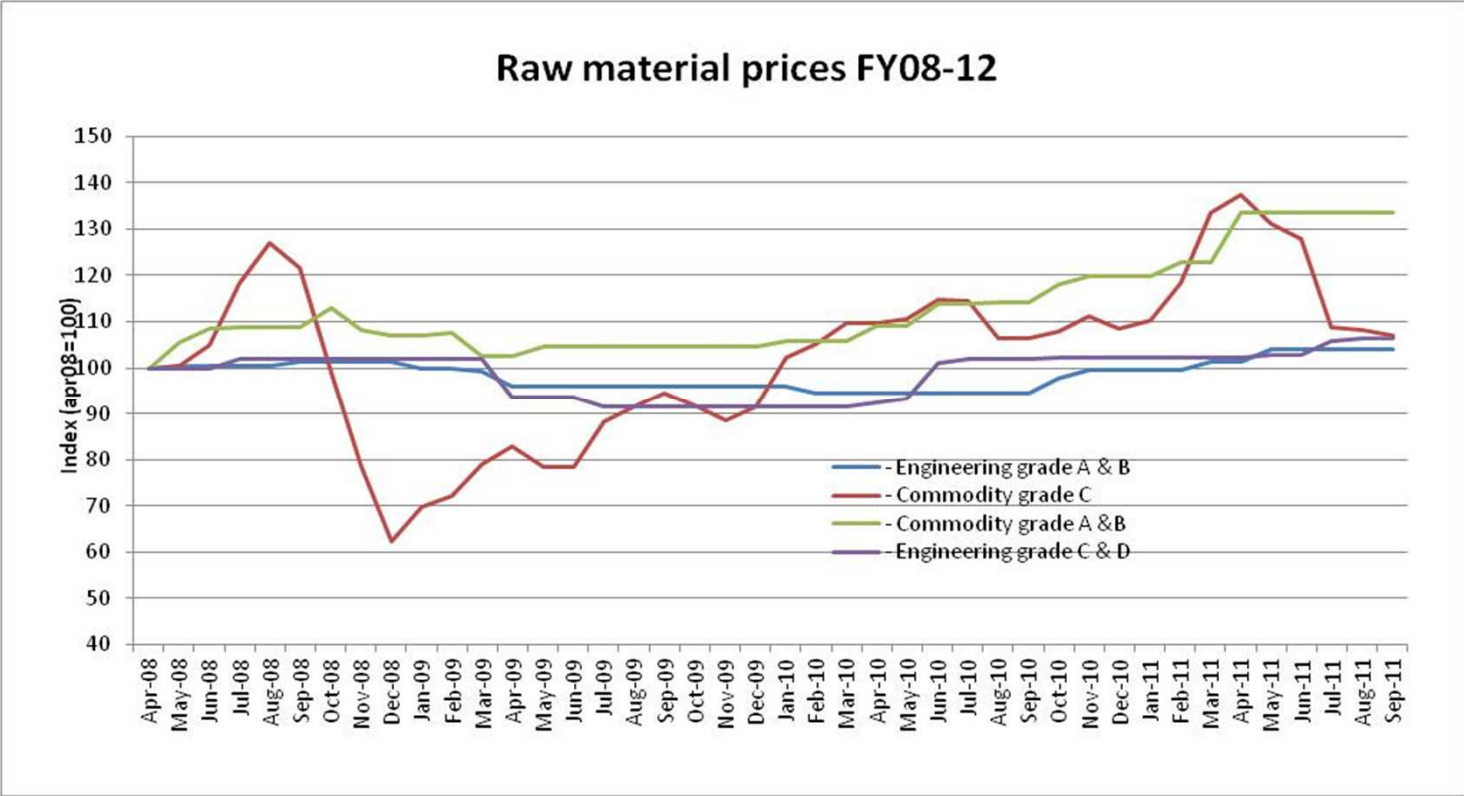
New Business

- **New product introductions**
 - Traxplus – new type of creasing matrix launched
 - Bearings for automotive interiors under test
 - Toner bearings for print cartridges under test
 - Higher strength/flexibility mandrels introduced
- **New territories developing well**
 - **China**
 - 3 local bearings customers established
 - Focus on CCTV and automotive applications
 - 5 distributors for matrix
 - Mandrels being trialled
 - **India**
 - Matrix distribution network established; year 1 sales on track
 - Opportunities in automotive for bearings
 - **Thailand**
 - First direct customer
 - 51% of bearings now made in Thailand
 - Tool engineering being upgraded



Raw Materials

- Raw material input price pressure has abated since beginning of financial year



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- **Summary & Outlook**

Summary

- Demand in H1 11-12 has been affected by external factors
 - Tsunami impact on our customers' supply chains
 - Restocking and overstocking in prior financial year
 - Weak economic climate

- Our revenues have been maintained
 - Net new business has contributed
 - Our product mix has also improved

- Profitability has been improved due to lower interest costs
 - Benefit of refinancing and strong cash generation evident
 - Currency has also been favourable
 - Enabled us to continue to invest cautiously in business development

- New business development continues to progress strongly
 - New account wins continue
 - Product innovation ongoing
 - Asian sales offices starting to contribute

Outlook

- Demand outlook is uncertain:
 - Negative factors
 - Thai flooding now impacting our customers' supply chains (not ours)
 - Demand for heavy/capital goods related products has dropped off
 - Political and economic uncertainty is severe
 - Positive factors
 - Tsunami impact largely over
 - Overstocking from prior year running down
 - New business pipeline will contribute 2H 11-12 and beyond

- Well placed to weather possible storm
 - Costs well controlled
 - Cash flow is strong
 - Banking position is robust

- Order book overall is similar to first half year

- Our focus remains on organic growth
 - Profitability will be assisted by
 - Lower raw material prices, and
 - Favourable currency