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Results for year ended 31 March 2015

Presentation to Analysts
9 June 2015

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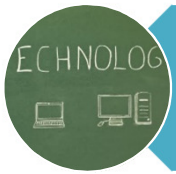
Carclo is a leading global manufacturer of fine tolerance parts for the Medical, Industrial, Aerospace and Luxury and Supercar Lighting markets

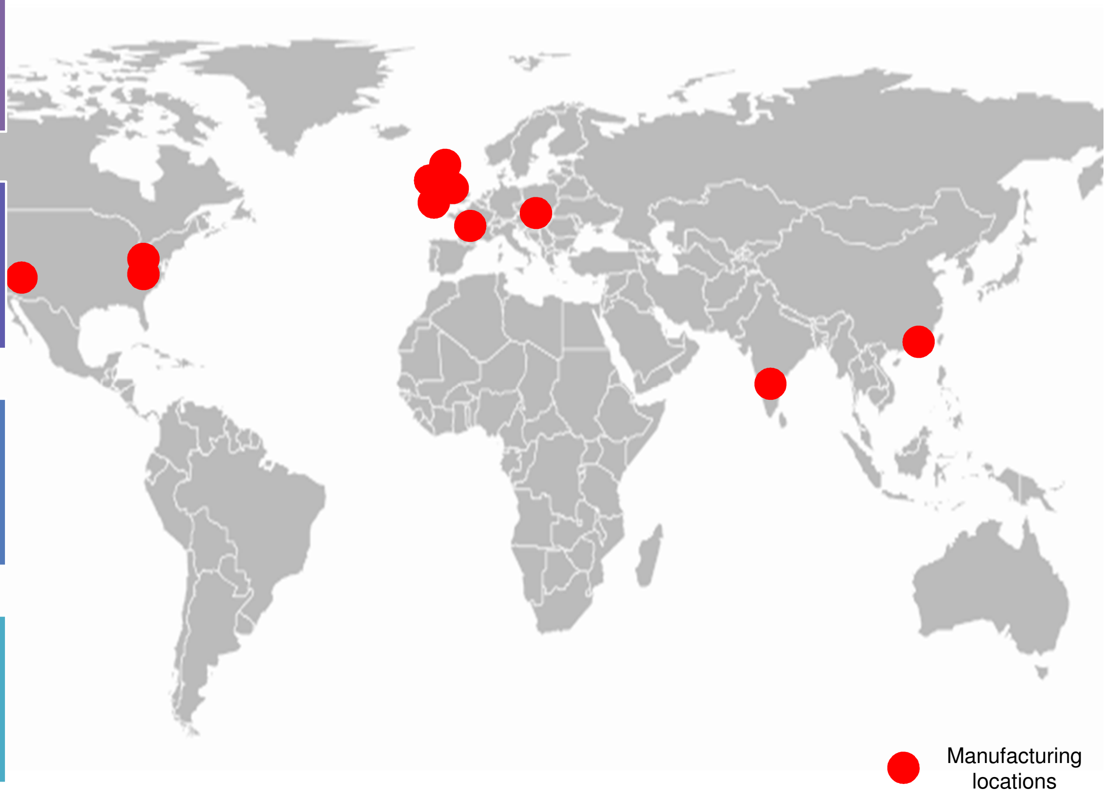
Global contract manufacturer to medical market

Leading designer and manufacturer for luxury and supercar LED Lighting

Leading supplier of control cables in Europe



Investing in complementary new technologies



Strong revenue and profit growth across principal divisions

Results and Summary

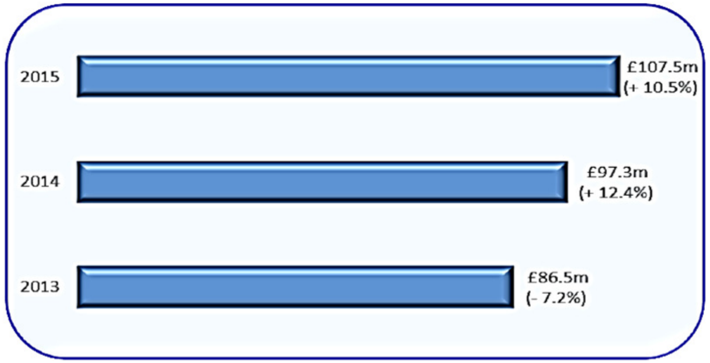
- Strong growth in turnover and underlying operating profit across the group
- Revenue increased by 10.5% to £107.5 million, reflecting excellent sales progression across our businesses
- Underlying operating profit was £7.8 million (2014 - £6.6 million), up 18.9% on the prior year
- Underlying profit before tax of £7.1 million (2014 - £5.3 million), up 34.6% on the prior year
- Strategic review of CIT Technology ("CIT") business complete
- Exceptional charge of £31.7 million (2014 - £0.5 million) of which £23.5 million had been provided at the half year, primarily due to £25.4 million of impairment costs in CIT
- Technical Plastics revenue and underlying profits increased compared to the prior year
- Excellent performance by LED Technologies, driven by Wipac luxury and supercar lighting business
- Continuing investment in Carclo Diagnostic Solutions ("CDS") underpinned by further technological developments
- Group very well placed to continue with its growth strategy

Key performance indicators (“KPIs”)

To enable our performance to be tracked against our growth strategy we focus on the following KPIs:

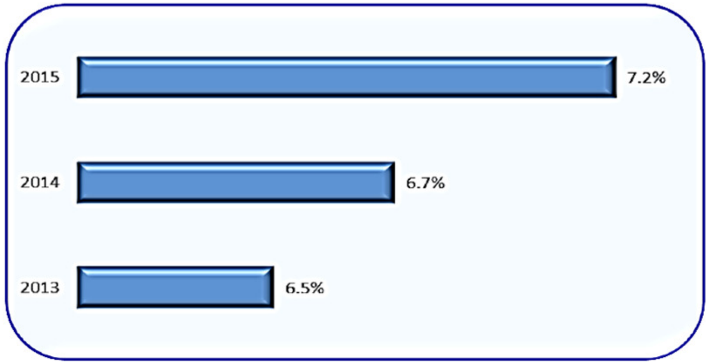
Revenue growth

The revenue growth seen year on year is a strong indicator of success in growing the business – up 10.5% on 2014.



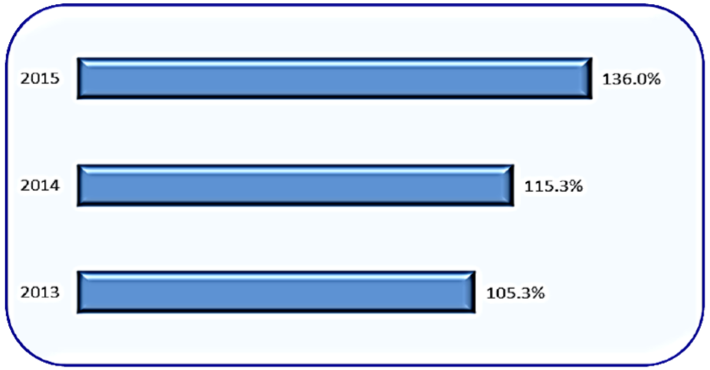
Underlying operating profit margin

Margin strengthened from 6.7% in 2014 to 7.2% in the current year.



Return on Investment*

Underlying operating profit as a percentage of annual investment shows improving returns



*calculated on a 5-year rolling average basis with investment/performance in CIT excluded to give a more meaningful benchmark for future comparison.

CTP and LED divisions drive strong group performance

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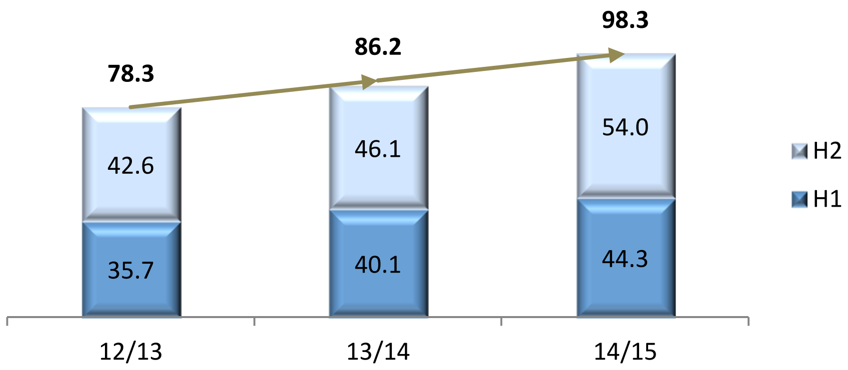
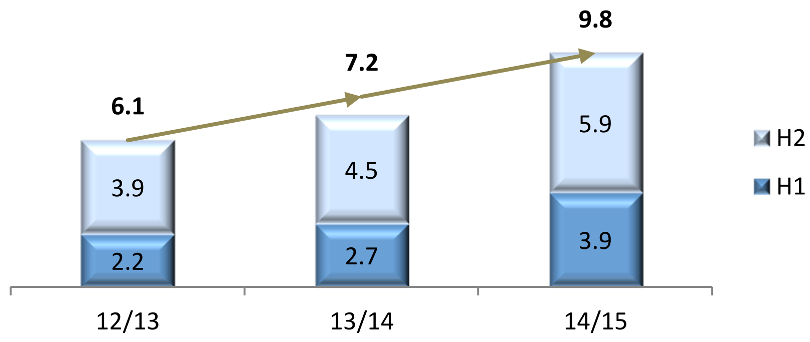
CTP & LED Revenue (£m)



CTP & LED Underlying Operating Profit (£m)



Revenue Initiatives

- Business development activities successful
- Global quality systems now fully implemented
- Factory expansion has continued
- Wipac transformed into world class facility

Margin Initiatives

- Harthill facility closed and higher margin work retained
- Strong increase in equipment utilisation
- Increase cleanroom moulding capabilities
- Tight control of overheads as capacity is expanded

Financial Highlights

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	Year ended 31 March 2015 £000	Year ended 31 March 2014 £000
Revenue		
Technical Plastics	64,296	58,080
LED Technologies	34,053	28,160
Precision Engineering	6,304	7,776
CIT Technology	2,850	3,251
Total	**107,503**	**97,267**
Operating profit before exceptional items	**7,789**	**6,551**
Exceptional items	**(31,668)**	**(520)**
Operating (loss) / profit	**(23,879)**	**6,031**
Underlying profit before tax	**7,123**	**5,291**
(Loss) / profit before tax	**(24,545)**	**4,771**
Basic earnings per share	**(33.2)p**	**5.5p**
Underlying earnings per share	**7.9p**	**6.1p**
Dividend per share	**2.75p**	**2.65p**
Net debt	**24,518**	**17,680**

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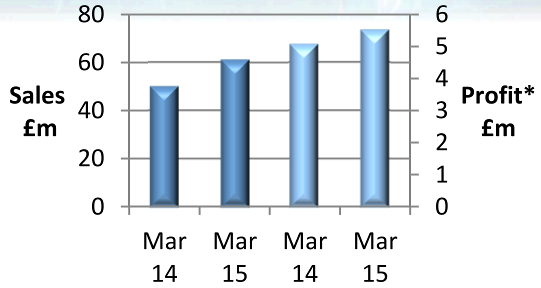
Divisional Analysis

CTP**

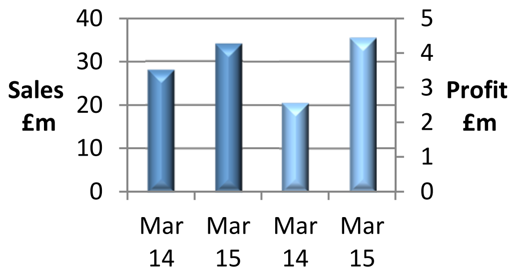


Revenue change
+10.7%

Operating profit*
+15.9%

- Strong sales growth in USA and Czech regions
- Improved press utilisation
- New global medical customer projects in production

LED



Revenue change
+20.9%

Operating profit*
+72.9%

- New programme wins continue to underpin future growth prospects
- First design & development revenue from new luxury and supercar projects
- Several commercial adoptions of proprietary Hyperlite™ LED module

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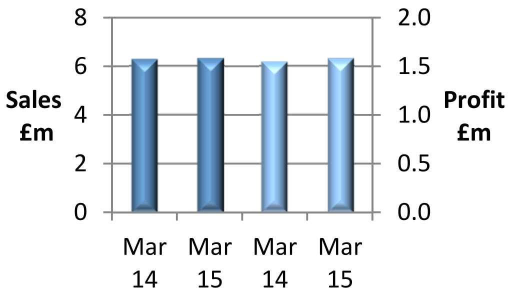

Revenue change
0%

Operating profit*
+6.7%

- New project win from leading OEM
- Expanded product capability with new equipment investment
- Strong profit and cash generation

*Underlying operating profit ** Adjusted for Harthill closure ***Adjusted for Birkett Cutmaster disposal

Income Statement Comparative

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	31-Mar-15	31-Mar-14
Revenue	**107.5**	**97.3**
Operating profit		
Divisional operating profit	**9.9**	8.6
Central costs	**(2.1)**	(2.0)
Underlying operating profit from continuing ops	**7.8**	6.6
Exceptional items	**(31.7)**	(0.5)
Operating (loss) / profit	**(23.6)**	6.0
Net financing charge	**(0.7)**	(1.3)
(Loss) / profit before tax	**(24.5)**	4.8
Income tax credit / (expense)	**1.8**	(1.2)
Loss on discontinued operations, net of tax	**(0.0)**	0.0
(Loss) / profit for the period	**(22.8)**	3.6
Basic earnings per share	***(33.2p)***	*5.5p*
Underlying earnings per share	***7.9p***	*6.1p*
Dividend per share	***2.75p***	*2.65p*

- Group revenue increased by 10.5% to £107.5 million
- Divisional operating profit increased 16.2% to £9.9 million
- Underlying operating profit increased 19% to £7.8 million
- Loss before tax of £24.5 million primarily due to £25.4 million write down at CIT, £2.8 million write down in PDL and rationalisation costs of £3.1 million in Technical Plastics
- Underlying tax charge of 27% due to a greater proportion of taxable profits being generated in high tax countries
- Underlying earnings per share increased 29.5% to 7.9p
- Dividend increased 3.8% to 2.75 pence per share

Exceptional Costs

	Year ended 31 March 2015 £m
Impairment review of CIT Technology	(25.4)
Harthill rationalisation costs	(3.1)
Impairment review of Platform Diagnostics	(2.8)
Other	(0.4)
Total	**(31.7)**

Impairment review of CIT Technology

As a result of the strategic review, £25.4m impairment loss recognised; allocated £0.9m to goodwill, £16.9m to patents and development costs and £5.7m to property, plant and equipment leaving carrying values of nil, £3.1m and nil respectively.

Rationalisation costs

The closure of CTP Harthill in the current year led to £3.1m of rationalisation costs; including £0.9m of land and buildings impairment.

Impairment review of Platform Diagnostics

As a result of refocusing resources on optimal applications, £2.8m of impairment loss has been recognised; allocated £0.5m to goodwill, £2.3m to patents and development costs leaving a carrying value of nil at year end.

Financial Position – Cash Flow

Underlying cash from operations	12.6	
Exceptional cash flows	(1.8)	
Working capital	(6.1)	
Interest and tax	(1.4)	
Net capital expenditure	(6.6)	
Free cash flow	**(3.3)**	
Additional pension contributions	(1.0)	
Proceeds from share transactions	0.1	
Equity dividends	(1.8)	
Cash flow from corporate activities	**(2.7)**	
Development expenditure	(1.3)	
Exchange movement	0.5	
Movement in net debt		**(6.8)**
Net debt at end of period		**(24.5)**

- Increase in working capital primarily due to unwind of $10 million Atmel prepayment & increased sub contract tooling balances
- Net capital expenditure of £6.6 million included our US facility expansion (£1.9m) and the investment in the Wipac facility in Buckingham (£1.5m)
- £0.9 million of development expenditure relates to our investment in CDS

Financial Position – Debt & Facilities

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Net Debt

- £24.5 million at 31 March 2015
- Increase since 31 March 2014 due to planned capital investment programme and unwinding of the $10 million Atmel prepayment
- Expected to reduce in the current financial year mainly due to increased operating cash generation

Bank Facilities

- Bank refinancing successfully complete in the second half
- £30.0 million of committed facilities through to March 2020 and £10.8 million of overdraft facilities
- The group continues to have good levels of headroom on its main banking covenants

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Financial Position – Pensions

- IAS 19 pension deficit has increased to £9.7 million net of deferred tax at 31 March 2015, after the group reported a small surplus as at 31 March 2014
- Scheme assets have increased by £5.2 million since 31 March 2014 and scheme liabilities have increased by £17.5 million due to a material decrease in the corporate bond yield assumption used to discount the liability
- IAS19 financing credit of £30,000 and scheme administration costs of £0.7 million reflected in the income statement
- Next triennial funding valuation in March 2015 and agreement with the trustees expected later this year

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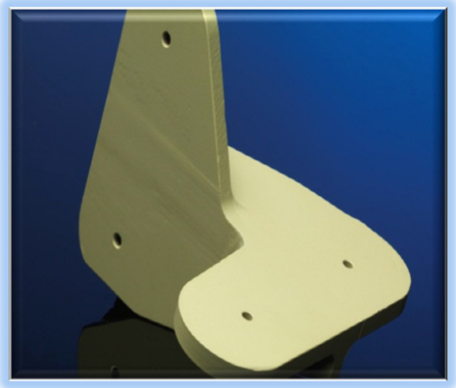
Markets & Strategy Actions

Technical Plastics

LED Technologies



Aerospace

CDS

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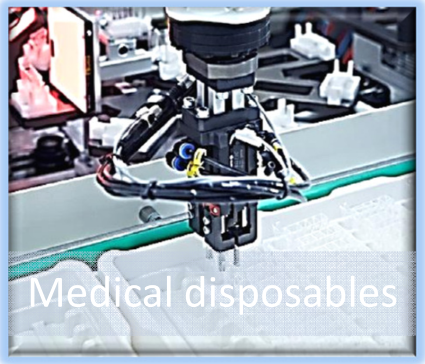
Technical Plastics

	Mar-15	Mar-14
	£m	£m
Revenue	64.3	58.1
Profit*	5.4	4.6
Margin	8.4%	7.9%



- Technical Plastic sales grew at 10.7%, ahead of medical market growth (6% CAGR Source : Lucintel)
- Large proportion of our investment has been made in order to expand the footprint which has been supported by new customer contract wins. We are benefitting from an increasingly visible and secure forward order book
- Leased additional space in our Tucson, USA and Indian operations due to new business generation
- Enlarged sales force and expanded customer reach through new strategic medical accounts. Improved sales pipeline and closing ratios. Number of customer tool validations during the year was more than double our normal levels
- New Taicang, China facility fit out well underway and due to open at end of year. This has created significant new customer opportunities

*Underlying operating profit

Technical Plastics – Market Assessment

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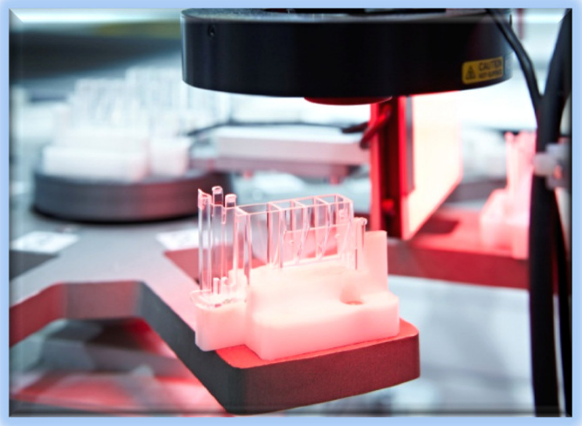
- Detailed review of Healthcare market undertaken
- Geographically well positioned to support fastest growth European, North American and Chinese markets
- Existing focus on medical device confirmed as largest relevant therapeutic area with good growth and attractive pricing opportunities
- Interaction with medical device suppliers confirms our business model as preferred, whereby we are focussed on specialist technical plastics with no interest from them for diverse "one-stop" offerings
- A range of additional complimentary value add activities identified through interactions which may further contribute to medium terms growth and margin enhancement
- These characteristics will underpin our organic growth and drive future acquisition strategy



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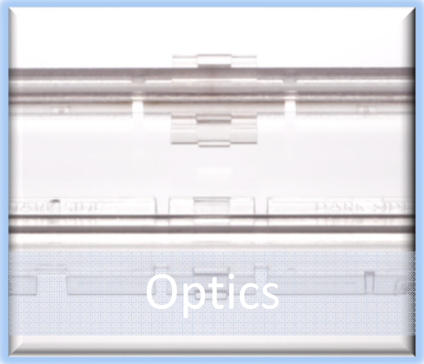
LED

	Mar-15	Mar-14
	£m	£m
Revenue	34.0	28.1
Profit*	4.4	2.6
Margin	12.9%	9.3%



- Built on the previous year's performance by securing a significant number of new vehicle lighting programmes
- Wipac site has undergone a major transformation with the addition of a range of new capabilities. Positioned this business well to deal with new luxury and supercar design wins
- Increased investment in research and development activities. Starting development of several new LED based light modules thereby enabling us to develop increasingly collaborative relationships with these customers in the future
- Perceived by customers to be innovators and a high value / high quality proposition
- Momentum continues to build with all programmes performing to plan and meeting customer expectations

*Underlying operating profit

LED – Competitive Advantages

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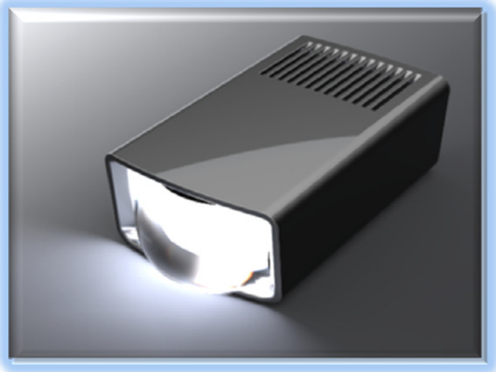
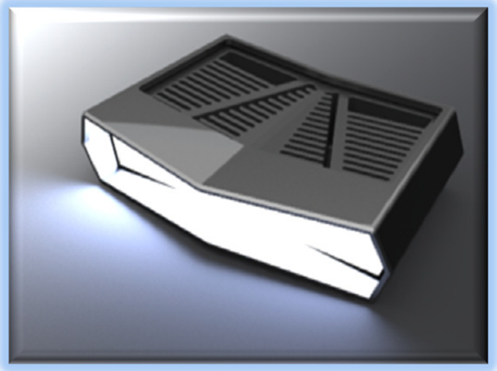
- We are the only lighting supplier 100% focused on the luxury and supercar market
- We have invested well and have a ‘world class’ design & manufacturing facility with all key processes integrated
- We have an expert empowered team with considerable industry experience
- Able to deliver challenging designs in LED technology with more flexibility in approach than competitors
- We are strongly customer focused with excellent delivery & quality performance, enjoying strong working relationships with all of our customers
- Our reputation has grown within the industry and we are now highly regarded everywhere





Precision Engineering

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	Mar-15	Mar-14†
	£m	£m
Revenue	6.3	6.3
Profit*	1.6	1.5
Margin	25.4%	23.8%

- Divestment of non-core Birkett Cutmaster has created a focused Aerospace specialist in UK and France
- Focus of growth in customer service spares business for OEMs and Tier 1s
- Core aircraft control cable business remains highly profitable
- Careful investment in latest manufacturing equipment to expand spares capability
- Secured replacement business for previous year's "One-time" spares contract
- Continues to be a high margin, high cash generative business

* Underlying operating profit †Prior year numbers adjusted to reflect disposal of Birkett Cutmaster

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Carclo Diagnostic Solutions

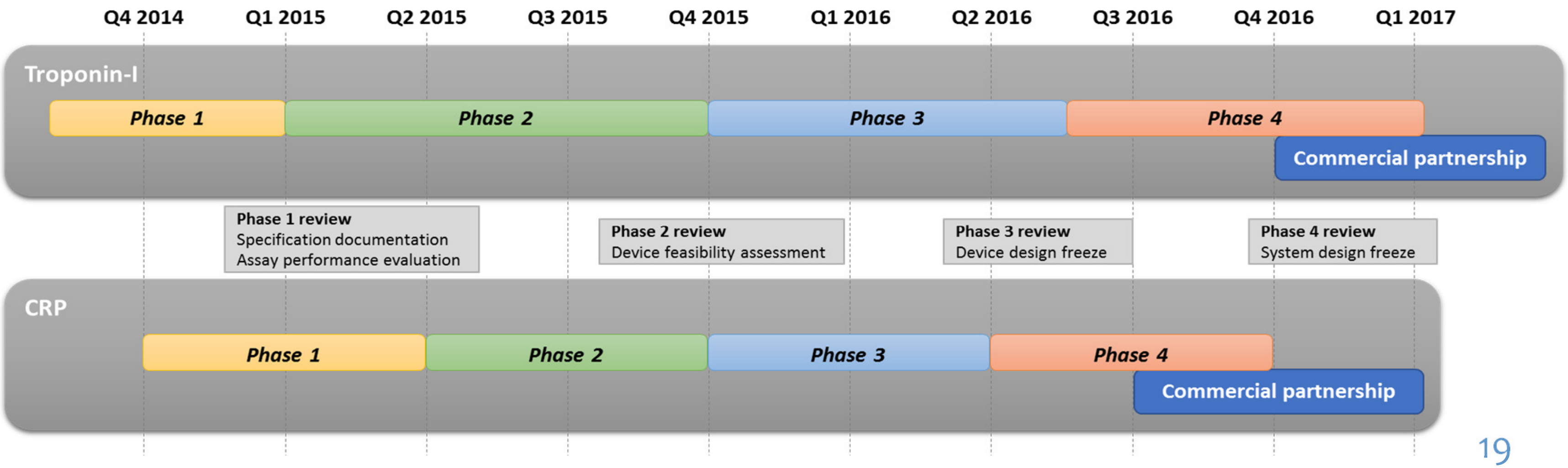
- Input from external advisors in the continued appraisal of our commercial plans. As a result we have streamlined our “exemplar” applications from four end market applications to two
- Focus is on an infectious disease test (CRP) and a coronary test (Troponin-I)
- These applications cover both of our hardware platforms so do not limit our future prospects but will facilitate a lower risk execution
- Accordingly, our work has moved some way from our original application areas relating to the original investment in Platform Diagnostics such that we have impaired the intangible assets relating to this business

Phase 1 – Develop and demonstrate prototype assay. Design hardware and electronics. Generate specifications. Create project risk plan and register.

Phase 2 – Integrate assay on to fluidic chip, then develop and verify feasibility against commercial requirements. Complete device feasibility assessment.

Phase 3 – Continue to develop device and assay, verifying against commercial requirements. Freeze device design once requirements are met.

Phase 4 – Develop system and production methodologies. Validate these against commercial requirements. Freeze system design.



CIT Strategic Review – licensing agreement

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- Strategic Review completed resulting in an exit from the touch and printed electronic activities
- During period of the review we observed further negative trends within the touch market which reinforced our decision
- Corporate Advisors worked with us to determine most suitable exit strategies resulting in a licensing agreement with Unipixel in April of this year
- An initial non-refundable cash prepayment of US$4.7 million received from Unipixel
- CIT will receive per annum payments of the greater of US$1.65 million or 1.67% of annual net product sales less the prepayment for a period of 5 years
- UniPixel has an option to extend the license beyond the initial five year term. Maximum amount of royalties payable under both the initial and renewal agreements is capped at US$30m (£20.2m)
- Short-term coated film supply agreement with UniPixel in place with a latest expiry date of 31 October 2015
- The board believes that the licensing arrangement represents an optimal conclusion to that review and will enable the Group to focus on the significant future growth prospects of its highly performing core divisions.

Growth Strategy

- Just over two years ago we began an expansion programme which has led to a 40% increase in investment in our Technical Plastics and LED Technologies operations
- The full beneficial impact of this investment will be felt over the next two to three years
- Across the group we continue to see organic growth opportunities and anticipate continued investment above depreciation from our free cash flow
- Acquisition opportunities will be considered that will complement and accelerate our own organic growth
- Any acquisitions must either add complementary capabilities or shorten the timescale to enter new strategically targeted customers or additional manufacturing locations for existing customers
- Board remains mindful of maintaining appropriate gearing levels over the short to medium term

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Outlook

- The momentum built up in our two main manufacturing divisions is expected to continue in the coming years

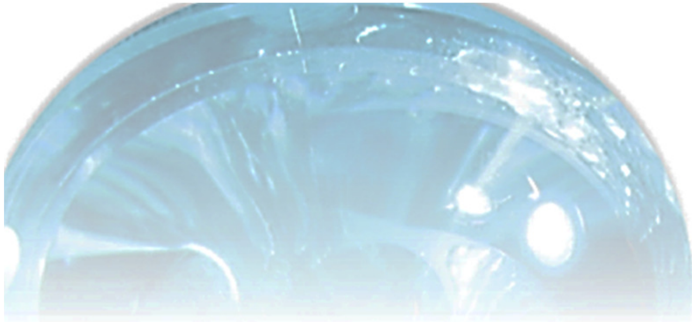
- Within Technical Plastics our emphasis on continually investing in and expanding our facilities allows us to grow and expand our customer base and use this increasing scale to continue to increase operating margins

- LED Technologies is set to further expand its luxury and supercar lighting business. Strong customer partnerships together with our investment in technology will underpin further growth

- Our Precision Engineering business remains both profitable and cash generative.

- Encouraging and focused progress has been made on CDS's innovative Micropoc platform as CDS moves along the road to commercialisation.

The group is very well placed to continue with its growth strategy. Exiting the CIT business will enable us to focus our resources on developing the significant opportunities that we have identified and we believe that, through a combination of organic investment and highly focused acquisitions, we will be able drive the group forward over the years to come.



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End

Forward looking statements - Certain statements made in this presentation are forward looking statements. Such statements are based on current expectations and are subject to a number of risks and uncertainties that could cause actual events to differ materially from any expected future events or results referred to in these forward looking statements.