For immediate release 7 June 2011

Carclo plc
("Carclo or the group")

Carclo plc, the technology led plastics group, today announces its full year results for the year ended 31 March 2011.

Highlights

- Encouraging financial results and excellent strategic progress
- Profit before tax increased by 46.5% to £6.8 million
- Earnings per share increased by 62.7% to 9.6 pence
- Total dividend increased by 10% to 2.2 pence per share
- Underlying operating profit growth of 14.3% by Technical Plastics
- Conductive Inkjet Technology ("CIT") is set to scale up manufacture of fine line touch sensors for smartphones
- Carclo Diagnostic Solutions ("CDS") has been formed to hold and exploit the IPR which we have developed in support of Platform Diagnostics

Commenting on the results, Christopher Ross, chairman said -

"Carclo has made good progress in the year to 31 March 2011 with encouraging financial results and excellent strategic progress.

Opportunities for further growth in our medical, LED optics and supercar lighting businesses and current developments at both CIT and CDS give the board confidence in delivering another year of progress for shareholders."

Enquiries

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A presentation for analysts will be held at **9.30 a.m.** on 7 June 2011 at the offices of Weber Shandwick Financial, Fox Court, 14 Gray's Inn Road, London WC1X 8WS.

Notes to editors

About Carclo

Carclo plc is a technology led plastics group. It is a public company whose shares are quoted on the London Stock Exchange.

Two thirds of sales are derived from the supply of fine tolerance, injection moulded plastic components, which are used in medical, optical and electronics products. This business, Carclo Technical Plastics, operates internationally in a fast growing and dynamic market underpinned by rapid technological development.

A third of sales are derived from the supply of specialised precision products to the premium automotive and aerospace industries. Carclo is a leader in the development of high power LED lighting for supercars.

Carclo's strategy is to develop new technologies and products to drive future growth. Its investment in Conductive Inkjet Technology is at the heart of the newly emerging market for very low cost printed electronics.

Forward looking statements

Certain statements made in this announcement 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.

Overview

Carclo has made good progress in the year to 31 March 2011 with encouraging financial results and excellent strategic progress. The highlights in the year were -

- Encouraging financial results and excellent strategic progress
- Profit before tax increased by 46.5% to £6.8 million from improved trading and pension funding
- Earnings per share increased by 62.7% to 9.6 pence
- Total dividend increased by 10% to 2.2 pence per share
- In Technical Plastics, underlying operating profits grew by 14.3% to £5.0 million (2010 - £4.4 million) helped by increased sales of medical diagnostic and LED optical products
- In Precision Products, underlying operating profits reduced to £2.2 million (2010 - £2.6 million). Wipac was impacted early in the year by delays and start-up costs on several supercar lighting projects but, as expected, its second half was much stronger
- The focus at Conductive Inkjet Technology ("CIT") has been almost entirely on the fine line touch screen project with Atmel Corporation ("Atmel"). This month CIT will have a validated production process for the Gen 3 fine line touch screen technology
- Carclo Diagnostic Solutions ("CDS") has been formed to hold and exploit the IPR which we have developed in support of Platform Diagnostics
- We are in discussions with Ford to exit our volume automotive communications business over the next 12 to 18 months, allowing us to redeploy resources to accelerate the growth of our specialist LED lighting business

Cash flow and funding

Net debt at 31 March 2011 was £19.1 million (2010 – £14.6 million). Group debt has increased due to higher capital expenditure in our medical and optical businesses, together with further capital investment and development expenditure to commercialise the touch screen project at CIT.

The group has total bank facilities of £31.6 million. Our £20.0 million committed facilities are due for renewal in a year's time, however, discussions have commenced with our banks to secure replacement facilities this year. The group continues to operate well within these facilities and associated bank covenants.

Dividend

Reflecting the strong performance for the year and its confidence in the group's prospects, the board is recommending an increased final dividend of 1.5 pence per share. This gives a total dividend for the year of 2.2 pence per share (2010 – 2.0 pence) which represents an overall increase of 10.0%.

Subject to shareholder approval, dividend payments will be paid on 23 September 2011 to shareholders on the register at close of business on 19 August 2011. The shares will be traded excluding the right to the dividend from 17 August 2011.

Employees

I would like to thank all those employed by Carclo in the year under review for their significant contribution.

The board

Last year, the board outlined proposals to extend the service contract of Carclo's chief executive, Ian Williamson, to enable him to continue the development of Carclo and, specifically, to oversee the commercialisation of CIT. Ian stood for re-election at the 2010 annual general meeting to allow shareholders to vote on the extension of his employment contract to March 2013 and he was duly re-elected. The board has now commenced discussions on succession planning which will result in the appointment of a new chief executive on Ian's retirement.

There are no directors falling due for re-election at this year's annual general meeting.

Outlook

The year to 31 March 2011 was another period of progress for the group, and there are several initiatives under development which will further benefit the current year.

Our medical and LED optics businesses continue to identify opportunities for further growth which will support increased profitability in the Technical Plastics division.

In Precision Products, Wipac is set to benefit from improving productivity on current supercar lighting programmes and from design and development revenues on new programmes. With our planned exit from the communications programme we will be able to deploy further resources to accelerate the expansion of our specialist LED lighting business.

Trading at our aerospace businesses is stable, profitable and cash generative.

Later this year Conductive Inkjet Technology is set to scale up production of touch sensors based on its fine line technology, potentially driving significant revenue growth under its commercial agreement with Atmel.

The formation of Carclo Diagnostic Solutions and the increased investment in this technology platform provides an exciting opportunity for Carclo to grow its business in diagnostic devices.

These developments taken together give the board confidence in delivering another year of progress for shareholders.

Christopher Ross

7 June 2011

Strategic development

In the last year there has been a significant change in how Carclo is viewed by the financial market. Shareholders and investors are looking increasingly at the transformational opportunity presented by Conductive Inkjet Technology's ("CIT's") Fine Line Technology in touch screen applications. This is understandable because the profit potential of this one opportunity alone exceeds Carclo's current profitability. I report on CIT's progress comprehensively later in this review.

But we do have substantial businesses in medical plastics, LED optics and high end LED lighting. These businesses are growing strongly and, with the right strategic focus, will continue to deliver the core growth for the group. Over the last 12 months we have been looking to refine our strategy to bring greater resources to the development of our LED businesses and to increase the Intellectual Property Rights ("IPR") content of our medical plastics business.

Wipac has two main business streams. The first, LED lighting for supercars, is growing very rapidly and we see further growth in the supercar niche, and new opportunities to use our technology in other evolving LED lighting markets. The second business stream, the supply of antennas and cables to Ford Europe, is our last remaining volume automotive activity. This business is not growing and faces challenging pressures on costs. We are in discussion with Ford on an orderly exit from the business over the next 12 to 18 months. We will redeploy the capital and, perhaps more critically, the management resource to accelerate the growth of our specialist LED lighting business.

We have also formed Carclo Diagnostic Solutions Limited ("CDS") to hold and exploit the IPR that we have developed in support of Platform Diagnostics Limited ("PDL"). Using the best of CIT's technology and our know-how in microfluidics, we have developed, for PDL, a highly innovative single-use quantitative diagnostic test platform. The solutions have wide application in the Point-of-Care diagnostic market. Our intention is to offer these innovations to our existing and potential customers in the medical diagnostics markets as part of our global contract manufacturing capabilities. Carclo will retain manufacturing rights to all devices based on the CDS IPR and know-how.

As an example of this business model, we have announced a partnership with EKF Diagnostics Limited ("EKF") to use the CDS platform for their Argutus Medical kidney function markers. We are in discussion with other potential partners on a much broader range of assays.

Our ongoing investment in CIT and our focus on LED lighting and the CDS investment in Carclo Technical Plastics, show our continuing commitment to owning the technology and IPR in our major business segments.

Conductive Inkjet Technology

CIT's technology enables high speed printing or patterning of pure metallic circuits on plastic film.

There are four very large emerging markets for our technology -

- Printed electronics – especially roll-to-roll production of very low cost electronic circuits
- Touch sensors – replacing expensive Indium Tin Oxide ("ITO") sensors used in smartphones
- Organic LED lighting devices – as a low cost high efficiency transparent electrode (again replacing ITO)
- Organic photovoltaic devices – also as a high efficiency transparent electrode

The most immediate opportunity is the touch sensor market. In December 2009 we announced a partnership with Atmel Corporation ("Atmel") to bring CIT's fine line technology to market as an improved touch sensor. Atmel is a leading provider of touch microcontrollers for the smartphone market. The Atmel partnership was further extended in December 2010. Our agreement with Atmel gives them exclusive access to our technology in return for significant up-front financial payments and demanding volume and revenue targets.

Over the last 6 months we have supplied significant quantities of touch sensors to assemblers and leading producers of smartphones and customer feedback is excellent. We can now consistently produce and test touch sensors, at speed and at high yield, on a roll-to-roll web-based process. During this period, almost the entire CIT team has been focussed on delivering a validated production process for the Gen 3 fine line touch screen technology, which will be completed later this month. Gen 3 is capable of delivering very narrow line widths using patented processes, which substantially eliminate reflectivity. The product is performing better in terms of appearance, transmissibility and conductivity than conventional ITO based sensors.

The production of ITO sensors is very difficult and yields can be low and subject to variation. The CIT process is capable of consistently high yields and we are working closely with Atmel to refine our process controls to standards developed in the semiconductor industry. We are fortunate in having a partner who leads the industry in this regard.

For good commercial reasons our agreement with Atmel limits what both parties can say about specific commercial developments based upon our technology. However, we are able to say that we have received an early nomination for a new concept smartphone. We expect to achieve first production before the end of 2011, and volume of production to increase rapidly thereafter. Planning is well advanced for production scale-up, with key equipment already on order.

We have started to plan for a new CIT facility to produce the high volumes of photosensitive film which will be required to keep pace with the expected demand. We plan to have the new facility in place by mid-2012.

The market for touch applications continues to grow faster than any forecast. Touch screens have changed the way we interface with devices such as smartphones and tablets – and yet today, the ITO touch sensor is expensive and inflexible, and there is finite production capacity, which is insufficient to meet demand. Atmel is the market leader in touch microcontrollers and is exceptionally well placed to capitalise on the strengths and advantages of the CIT solution.

Our involvement in printed electronics has continued to expand. In the last 12 months we have produced over 20 km of printed product and shipped well over 4 million RFID tags and devices. One of our RFID customers intends to install an in-house MetalJet 6000 facility in 2012. The CIT processes have also been released for flexographic printers and we have two partnerships developing their own printed products using our inks and processes.

Our collaborative projects with Cambridge Display Technology Limited ("CDT") (organic LED lighting) and Eight19 Limited (organic photovoltaic) are making good progress. The CDT project is now moving into a commercial exploitation phase.

Carclo Diagnostic Solutions

Three years ago we established a joint project with BBI Holdings plc ("BBI") to develop a low cost immuno-assay based on technology developed by a venture capital backed company, Platform Diagnostics Limited ("PDL"). BBI contributed the assay chemistry which was initially aimed at a test for D-dimer, an indicator of deep vein thrombosis. Carclo contributed the hardware development - precision moulded microfluidics, mechanical design and an innovative low cost reader based on the CIT technology. This development was completed at the end of 2010. Carclo's investment over the life of the project was £0.7 million. The joint project successfully demonstrated a low cost, single use, Point-of-Care quantitative test for D-dimer.

Carclo retained ownership of the patents and IPR related to the hardware platform and the low cost reader. It is apparent that this technology has application across a broad range of Point-of-Care diagnostic tests and is not limited to use with PDL's Capillary Agglutination Technology ("CAT"). Accordingly, we have formed Carclo Diagnostic Solutions to hold the intellectual property rights and to offer access to this innovative platform. CDS has also taken an exclusive licence on PDL's technology and will invest £0.5 million over the next 12 months to expand the range of assays applicable to the CAT technology. We plan to invest an additional £0.5 million directly in CDS to develop the hardware platform for use with industry standard ELISA assays.

We have entered into a partnership with EKF to bring their Argutus Medical kidney markers to market in this innovative format. We are exploring further partnerships with other key players in the diagnostic market. We do not plan to enter the diagnostic market directly, nor to develop or own the bio-chemistry behind the assays. However, we will retain manufacturing rights for devices based on our IPR to underpin the continued growth of Carclo Technical Plastics.

Chief executive's review - continued

Operating review

	Carclo Technical Plastics		Carclo Precision Products	
	2011	2010	**2011**	2010
Revenue	**£55.8m**	£51.1m	**£33.1m**	£30.5m
Underlying operating profit *	**£5.0 m**	£4.4 m	**£2.2m**	£2.6m
Net assets	**£50.8m**	£49.3m	**£15.8m**	£15.3m
Underlying operating margin	**9.0%**	8.6%	**6.7%**	8.7%
Return on capital employed *	**9.9%**	8.9%	**13.9%**	17.3%
Average number of employees	**763**	686	**282**	284

* before rationalisation costs, exceptional pension credits and property profits

Carclo Technical Plastics

Sales increased by 9.1% to £55.8 million, with underlying operating profits increasing by 14.3% to £5.0 million. We remain fractionally short of our target operating margin of 10%, but the continued focus on medical and LED optics should deliver continuing improvements in underlying margins. Growth came mainly from medical diagnostics customers and from our proprietary LED optics where sales increased by 26.8% to £3.5 million.

The strongest performances came in the US and the UK – the US benefiting especially from growth in medical diagnostics and the UK from a combination of LED optics growth and initial volumes on a new medical inhaler contract. Our new operation in Bangalore delivered an excellent result. Our Czech operation, which has been mainly involved in production for the professional electronics sector, won its first medical/optical contract.

We re-commissioned a mothballed facility in Scotland as a new clean facility for large optics, and extended our new factory in Bangalore. This is the first year for some time that we have added capacity in Technical Plastics, and as a consequence capital expenditure increased to £3.4 million (2010 - £1.8 million).

We continue to win new business globally, but in the second half of the year there was a marked shift away from China in terms of new enquiries. We are seeing more interest in shorter supply chains – particularly in the US – and we expect this trend to continue. For our facility in China we expect new business to come increasingly from supporting our global customers in accessing the local Chinese market as opposed to using China as a low cost manufacturing base for export. In India, our new facility – which has been equipped from the outset for medical and optical business, has generated a number of new business enquiries mostly for products required within the Indian market.

The LED business unit has been particularly successful in adding global distributors – in the last 12 months we have announced new distribution agreements with Arrow Electronics Inc and Digi-Key Corporation to add to our longstanding relationship with Future Electronics. We see good growth opportunities in India and have added LED technical and sales support in Bangalore. We will replicate this approach in China later this year.

Carclo Precision Products

Sales in Carclo Precision Products increased by 8.5% to £33.1 million, but the operating profit fell £0.4 million below the prior year to £2.2 million giving an operating margin of 6.7% (2010 – 8.7%).

This was a year of transition for our fast growing supercar LED lighting business. In the prior year, we benefited from significant design and development revenues as the new lighting systems were completed. This year the focus switched to production with a very substantial uplift in lighting product sales. Sales in the fourth quarter (January to March 2011) ran at four times the level of the prior year. We did incur some start-up costs on these new programmes which mostly affected the first half of the year. Second half profitability, as expected, recovered strongly.

We see many further opportunities to exploit our technical skills and market position in high end LED lighting. During the year, we developed, with a commercial partner, a very high efficiency street lighting unit using our state of the art compound optics which is now on trial in a high profile location in London. Growth in the Wipac business will be focused on such LED niche applications.

Over the next 12 to 18 months we expect to withdraw from the supply of antennas and cables to Ford Europe. This is our last involvement in volume automotive products – once a major activity for the group. Last year we shipped approximately £8.0 million of product to Ford, but we are confident that the capital and management resource will be more effectively applied in growing our LED activities.

The aerospace businesses performed well with improved profits and excellent cash generation from largely unchanged sales. We expect these businesses to continue to grow modestly over the next couple of years.

Ian Williamson

7 June 2011

Finance director's review

Financial summary

	2011	2010
	£million	£million
Revenue	**88.6**	81.2
Divisional operating profit	**7.2**	7.0
Unallocated	**(1.3)**	(1.3)
Underlying operating profit from continuing operations	**5.9**	5.7
Exceptional items	**0.2**	(0.3)
Net bank interest	**(0.3)**	(0.4)
IAS 19 net financing credit / (charge)	**1.0**	(0.4)
Profit before tax	**6.8**	4.6
Income tax expense	**(0.8)**	(0.9)
Loss on discontinued operations	**(0.1)**	(0.2)
Profit attributable to ordinary shareholders	**5.9**	3.5
Ordinary dividend	**(1.3)**	(1.2)
Surplus for the year	**4.6**	2.3
Divisional operating margin from continuing operations	**8.2%**	8.6%
Basic earnings per share	**9.6p**	5.9p
Underlying earnings per share	**9.6p**	6.6p

Group turnover from continuing operations was £88.6 million (2010 – £81.2 million). Revenues in Technical Plastics increased by £4.7 million whilst revenues in Precision Products increased by £2.6 million. Divisional operating profit was £7.2 million (2010 - £7.0 million) and underlying operating profit from continuing operations was £5.9 million (2010 - £5.7 million). Unallocated costs, comprising mainly central costs, were £1.3 million (2010 - £1.3 million).

As anticipated, divisional operating profits in the second half of the year exceeded profits for the first half of the year. The group's first half was impacted by a weaker performance at Wipac where the production ramp up in its supercar lighting programmes was affected by delays and start up costs. Wipac delivered a much stronger second half as these programmes reached target volumes and cost variances were managed.

Profit before tax was £6.8 million (2010 - £4.6 million), an increase of 46.5% on the prior year. An exceptional credit of £0.2 million (2010 – charge of £0.3 million) is made up of a £0.5 million pensions credit generated by the group's pension liability programme partially offset by £0.3 million of rationalisation costs related to the transfer of a number of large optical programmes from the group's Buckingham facility to its Scottish Technical Plastics business.

Net bank interest was £0.3 million (2010 - £0.4 million). Profit before tax was increased by a £1.0 million pensions net financing credit in compliance with the provisions of IAS 19 "Employee Benefits". In the previous year a net financing charge of £0.4 million was booked. This reversal has occurred as a consequence of the increase in equity markets and pension investment values during the period to 31 March 2011.

The group tax charge for the year was £0.8 million (2010 - £0.9 million). This equates to an effective tax rate of 11.4%, well below the applicable UK corporation tax rate of 28%. This is due mainly to the recognition and utilisation of prior period losses and the reduction in the UK headline rate of corporation tax to 26% resulting in a reduction in deferred tax liabilities.

Basic earnings per share increased to 9.6 pence (2010 – 5.9 pence) and underlying earnings per share also increased to 9.6 pence (2010 – 6.6 pence).

A loss on disposal of discontinued operations of £0.1 million (2010 - £0.2 million) was charged to the income statement and this cost results from the group's remaining surplus property.

The profit attributable to ordinary shareholders was £5.9 million (2010 - £3.5 million). The board is recommending a final dividend of 1.5 pence per ordinary share (2010 – 1.35 pence).

Net debt and gearing

	2011 £million	2010 £million
Underlying cash flow	**8.9**	6.4
Interest and tax	**(0.8)**	(0.8)
Capital expenditure	**(7.0)**	(2.8)
Free cash flow	**1.1**	2.8
Pension payments above regular cost	**(1.6)**	(1.9)
Non recurring	**(0.5)**	0.2
Proceeds from issue of share capital	**0.2**	4.4
Performance share plan awards	**(0.4)**	-
Equity dividends	**(1.2)**	(1.1)
Cash flow from corporate activities	**(2.4)**	4.4
Development expenditure	**(2.1)**	(1.2)
Acquisitions and disposals	**(0.2)**	(0.4)
Exchange movement	**0.2**	0.5
(Increase) / decrease in net debt in year	**(4.5)**	3.3

Net debt comprises interest bearing loans and borrowings less cash and cash deposits.

Net debt increased in the year to £19.1 million (2010 - £14.6 million). This represents gearing of 31.3% (2010 – 24.8%) after excluding the net pension deficit.

The most significant impact on net debt during the year was the high level of group capital expenditure at £7.0 million (2010 - £2.8 million). This reflects the substantial investment in the fine line production line at our Cambridge facility and a significant level of investment in moulding machines at our medical facilities and clean room facilities at our UK medical plant to support new business.

Underlying cash flow from operations was £8.9 million (2010 - £6.4 million). Free cash flow was £1.1 million (2010 - £2.8 million).

Pension contributions of £1.6 million (2010 - £1.9 million) above the regular pension cash cost were made during the year. This amount included the annual recovery plan payment of £0.9 million, as well as scheme administration costs and the Pension Protection Fund levy which are borne by the company.

Non recurring cash outflows were £0.5 million (2010 - £0.2 million inflow) and this amount related primarily to the run off costs of the Slough facility where our lease obligations ended in December 2010.

Development expenditure of £2.1 million (2010 - £1.2 million) was capitalised during the year. The majority of this expenditure related to additional costs incurred by CIT to achieve a validated production process for capacitive touch screens at our Cambridge facility

Financing

At 31 March 2011 the group's net debt was £19.1 million. The group has total bank facilities of £31.6 million. The committed facilities expire on 29 June 2012 and we have commenced discussions with our banks to renew these term loan facilities and we expect to announce an agreement on this in due course. The two main covenants in the facility agreements are interest cover and the ratio of net debt to EBITDA and the group has a very secure level of headroom on both of these covenants as at 31 March 2011.

Under the facility agreements the group's lending banks hold security over the current assets of its three main UK trading subsidiaries and as at 31 March 2011 the value of this security was £22.1 million (2010 - £21.2 million).

Pensions

As at 31 March 2011 the pension deficit, as calculated under the provisions of IAS 19 "Employee Benefits", was £6.7 million, net of deferred tax (2010 – £14.5 million). The fair value of the plan assets increased to £148.4 million (2010 - £141.9 million) whilst the defined benefit pension obligation reduced to £157.5 million (2010 - £162.0 million) The net pensions deficit has decreased as a result of the performance of the scheme assets, contributions paid, and an actuarial gain due to the statutory change to CPI for the revaluation of certain pensions in deferment which was booked directly to reserves.

The IAS 19 current service cost for the year was £0.2 million (2010 - £0.2 million).
The group income statement also includes an exceptional credit of £0.5 million in respect of retirement benefits. £0.4 million of this amount is a reduction in past service costs as a result of the group's liability management programme. £0.1 million relates to a curtailment gain as a result of the closure of the scheme to future benefit accrual on 30 September 2010.

The group income statement also reflects an IAS 19 financing credit of £1.0 million (2010 – charge of £0.4 million). This amount reflects the difference between the interest charged on the pensions scheme liability and the expected return on the pension scheme assets. We expect a similar level of financing credit in the current financial year.

The cash cost of employer pension contributions during the year was £0.2 million. An additional £1.6 million was paid into the pension scheme during the year and this included the annual additional contribution of £0.9 million under the four year recovery plan and £0.7 million of scheme administration costs.

At 31 March 2011 group properties with a net book value of £6.7 million and cash of £1.2 million were subject to a registered charge in favour of the group pension scheme.

During the year the group elected to cease future accrual for existing members of the defined benefit scheme and most members have elected to transfer into the group's defined contribution scheme.

Conductive Inkjet Technology ("CIT")

The total amount of development expenditure capitalised during the year in respect of CIT was £1.4 million (2010 - £1.2 million). In addition, CIT also incurred £1.1 million (2010 - £0.4 million) on capital expenditure, the majority of which related to the installation of the production line for capacitive touch screens at our Cambridge facility.

The group balance sheet now includes intangible assets totalling £14.8 million in respect of CIT and £7.8 million of this amount is capitalised research and development funded by the group. The remaining £7.0 million relates to the fair value assigned to patents and goodwill, which has arisen from the accounting treatment of the acquisitions of the minority holdings from our original joint venture partner. The group's policy is to amortise these intangibles on a straight line basis over the estimated economic life of the intangible asset which is judged to be a period of up to 12 years from the date upon which the patent or related development expenditure enters commercial production. During the year amortisation of £0.2 million (2010 - £0.1 million) was charged to the income statement.

CIT generated revenues of £0.5 million during the year and we expect revenues and amortisation charges to increase this year as the production of touch screens begins to ramp up.

Robert Brooksbank

7 June 2011

Consolidated income statement
year ended 31 March

	Notes	2011 £000	2010 £000
Revenue	2	**88,645**	81,152
Underlying operating profit			
Operating profit before exceptional items		**5,917**	5,669
- rationalisation costs		**(274)**	(297)
- profit on sale of surplus property		**-**	79
- exceptional credit in respect of retirement benefits		**500**	-
After exceptional items		**6,143**	5,451
Operating profit	2	**6,143**	5,451
Finance revenue		**9,828**	8,521
Finance expense		**(9,199)**	(9,349)
Profit before tax		**6,772**	4,623
Income tax expense		**(770)**	(948)
Profit after tax but before loss on discontinued operations		**6,002**	3,675
Loss on discontinued operations, net of tax		**(85)**	(223)
Profit after tax, attributable to equity holders of the parent		**5,917**	3,452
Earnings per ordinary share	3		
Basic – continuing operations		**9.8 p**	6.3 p
Basic – discontinued operations		**(0.2) p**	(0.4) p
Basic – total		**9.6 p**	5.9 p
Diluted – continuing operations		**9.8 p**	6.3 p
Diluted – discontinued operations		**(0.2) p**	(0.4) p
Diluted – total		**9.6 p**	5.9 p

Consolidated statement of comprehensive income
year ended 31 March

	2011 £000	2010 £000
Profit for the period	**5,917**	3,452
Other comprehensive income -		
Foreign exchange translation differences	**(298)**	(143)
Actuarial gains / (losses) on defined benefit scheme	**6,463**	(3,634)
Actuarial gain due to statutory change to CPI for deferred revaluation and pension increases	**1,440**	-
Taxation on items taken directly to equity -		
Deferred tax	**(2,461)**	1,087
Corporation tax	**3**	354
Other comprehensive income, net of tax	**5,147**	(2,336)
Total comprehensive income for the period, attributable to equity holders of the parent	**11,064**	1,116

Consolidated statement of financial position
as at 31 March

	Notes	2011 £000	2010 £000
Assets			
Intangible assets		**36,406**	34,758
Property, plant and equipment		**29,950**	26,227
Investments		**747**	623
Deferred tax assets		**6,635**	9,167
Total non current assets		**73,738**	70,775
Inventories		**12,343**	10,263
Trade and other receivables		**18,831**	20,414
Cash and cash deposits		**11,048**	10,205
Non current assets classified as held for sale		**221**	223
Total current assets		**42,443**	41,105
Total assets		**116,181**	111,880
Liabilities			
Interest bearing loans and borrowings		**19,002**	18,678
Deferred tax liabilities		**5,141**	4,902
Retirement benefit obligations		**9,067**	20,087
Total non current liabilities		**33,210**	43,667
Trade and other payables		**15,551**	15,019
Current tax liabilities		**1,941**	1,906
Provisions		**-**	515
Interest bearing loans and borrowings		**11,148**	6,166
Total current liabilities		**28,640**	23,606
Total liabilities		**61,850**	67,273
Net assets		**54,331**	44,607
Equity			
Ordinary share capital issued	5	**3,078**	3,071
Share premium		**8,189**	8,042
Other reserves		**3,584**	3,584
Translation reserve		**4,734**	5,032
Retained earnings		**34,746**	24,878
Total equity attributable to equity holders of the parent		**54,331**	44,607

Approved by the board of directors and signed on its behalf by -

Christopher Ross
Robert Brooksbank } directors

7 June 2011

Consolidated statement of changes in equity

	Attributable to equity holders of the company					
	Share capital £000	Share premium £000	Translation reserve £000	Other reserves £000	Retained earnings £000	Total £000
Balance at 1 April 2009	2,859	3,916	5,110	3,656	24,190	39,731
Profit for the period	-	-	-	-	3,452	3,452
Other comprehensive income -						
Foreign exchange translation differences	-	-	(143)	-	-	(143)
Actuarial losses on defined benefit scheme	-	-	-	-	(3,634)	(3,634)
Taxation on items taken directly to equity	-	-	65	-	1,376	1,441
Transactions with owners recorded directly in equity -						
Share based payments	-	-	-	-	175	175
Dividends to shareholders	-	-	-	-	(1,175)	(1,175)
Exercise of share options	69	734	-	-	-	803
Issue of shares	143	3,392	-	-	-	3,535
Proceeds from sale of own shares	-	-	-	-	85	85
Transfer in respect of depreciation	-	-	-	(72)	72	-
Adjustment to deferred consideration	-	-	-	-	337	337
Balance at 31 March 2010	3,071	8,042	5,032	3,584	24,878	44,607
Balance at 1 April 2010	**3,071**	**8,042**	**5,032**	**3,584**	**24,878**	**44,607**
Profit for the period	**-**	**-**	**-**	**-**	**5,917**	**5,917**
Other comprehensive income -						
Foreign exchange translation differences	**-**	**-**	**(298)**	**-**	**-**	**(298)**
Actuarial gains on defined benefit scheme	**-**	**-**	**-**	**-**	**6,463**	**6,463**
Actuarial gain due to statutory change to CPI for deferred revaluation and pension increases	**-**	**-**	**-**	**-**	**1,440**	**1,440**
Taxation on items taken directly to equity	**-**	**-**	**-**	**-**	**(2,458)**	**(2,458)**
Transactions with owners recorded directly in equity -						
Share based payments	**-**	**-**	**-**	**-**	**144**	**144**
Dividends to shareholders	**-**	**-**	**-**	**-**	**(1,260)**	**(1,260)**
Exercise of share options	**7**	**147**	**-**	**-**	**-**	**154**
Proceeds from sale of own shares	**-**	**-**	**-**	**-**	**21**	**21**
Performance share plan awards	**-**	**-**	**-**	**-**	**(406)**	**(406)**
Adjustment to deferred consideration	**-**	**-**	**-**	**-**	**7**	**7**
Balance at 31 March 2011	**3,078**	**8,189**	**4,734**	**3,584**	**34,746**	**54,331**

Consolidated statement of cash flows
year ended 31 March

	Notes	2011 £000	2010 £000
Cash generated from operations	6	**6,800**	3,407
Interest paid		**(582)**	(477)
Tax paid		**(422)**	(378)
Net cash from operating activities		**5,796**	2,552
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		**52**	1,259
Interest received		**161**	45
Cash flow on discontinued operations		**(85)**	(160)
Acquisition of business undertaking, net of cash acquired		**-**	(214)
Acquisition of property, plant and equipment		**(6,924)**	(2,655)
Acquisition of intangible assets – computer software		**(49)**	(138)
Investment in Platform Diagnostics Limited		**(135)**	-
Development expenditure		**(2,073)**	(1,250)
Net cash from investing activities		**(9,053)**	(3,113)
Cash flows from financing activities			
Proceeds from the issue of share capital		**-**	3,535
Proceeds from exercise of share options		**154**	803
Proceeds from sale of own shares		**21**	85
Drawings on term loan facilities		**750**	1,000
Repayment of borrowings		**(250)**	(1,263)
Cash outflow in respect of performance share plan awards		**(406)**	-
Dividends paid		**(1,227)**	(1,147)
Net cash from financing activities		**(958)**	3,013
Net (decrease) / increase in cash and cash equivalents		**(4,215)**	2,452
Cash and cash equivalents at beginning of period		**4,303**	2,026
Effect of exchange rate fluctuations on cash held		**(188)**	(175)
Cash and cash equivalents at end of period		**(100)**	4,303
Cash and cash equivalents comprise -			
Cash and cash deposits		**11,048**	10,205
Bank overdrafts		**(11,148)**	(5,902)
		(100)	4,303

Notes on the accounts

1. Notes on the preliminary statement

Basis of preparation

Whilst the financial information included in this preliminary statement has been prepared on the basis of the requirements of IFRSs in issue, as adopted by the European Union and effective at 31 March 2011, this statement does not itself contain sufficient information to comply with IFRS. The group expects to publish full consolidated financial statements on 24 June 2011.

The financial Information set out in this preliminary statement does not constitute the company's consolidated financial statements for the years ended 31 March 2011 or 2010, but is derived from those financial statements. Statutory financial statements for 2010 have been delivered to the Registrar of Companies and those for 2011 will be delivered following the company's annual general meeting. The auditors, KPMG Audit Plc, have reported on those financial statements; their reports were unqualified, did not draw attention to any matters by way of emphasis without qualifying their report and did not contain statements under section 498 (2) or (3) of the Companies Act 2006 in respect of the financial statements for 2011 and 2010.

Directors' liability

Neither the company nor the directors accept any liability to any person in relation to this report except to the extent that such liability could arise under English law. Accordingly, any liability to a person who has demonstrated reliance on any untrue or misleading statement or omission shall be determined in accordance with section 90(A) of the Financial Services and Markets Act 2000.

2. Segment reporting

At 31 March 2011, the group was organised into three, separately managed, business segments - Technical Plastics, Precision Products and Conductive Inkjet Technology. These are the segments for which summarised management information is presented to the group's chief operating decision maker (comprising the main board and general executive committee).

The Technical Plastics segment supplies fine tolerance, injection moulded plastic components, which are used in medical, optical and electronics products. This business operates internationally in a fast growing and dynamic market underpinned by rapid technological development.

The Precision Products segment supplies systems to the premium automotive and aerospace industries and is a leader in the development of high power LED lighting for supercars.

The Conductive Inkjet Technology segment undertakes applied research into the digital printing of conductive metals on to plastic substrates.

Discontinued operations relate to the disposal of the group's automotive control cables business in May 2006 and the card clothing business in June 2005.

Transfer pricing between business segments is set on an arm’s length basis. Segmental revenues and results include transfers between business segments. Those transfers are eliminated on consolidation.

The group’s geographical segments are based on the location of the group’s assets. Sales to external customers disclosed in geographical segments are based on the geographical location of its customers.

2. Segment reporting continued

Analysis by business segment

The segment results for the year ended 31 March 2011 were as follows -

	Technical Plastics £000	Precision Products £000	Conductive Inkjet Technology £000	Unallocated £000	Eliminations £000	Group total £000
Consolidated income statement						
Total revenue	**55,798**	**33,118**	**499**	**-**	**(770)**	**88,645**
Less inter-segment revenue	**(602)**	**(168)**	**-**	**-**	**770**	**-**
Total external revenue	**55,196**	**32,950**	**499**	**-**	**-**	**88,645**
Expenses	**(50,158)**	**(30,746)**	**(513)**	**(1,311)**	**-**	**(82,728)**
Underlying operating profit	**5,038**	**2,204**	**(14)**	**(1,311)**	**-**	**5,917**
Rationalisation costs	**(215)**	**(32)**	**(27)**	**-**	**-**	**(274)**
Exceptional credit in respect of retirement benefits	**-**	**-**	**-**	**500**	**-**	**500**
Operating profit	**4,823**	**2,172**	**(41)**	**(811)**	**-**	**6,143**
Net finance income						**629**
Income tax expense						**(770)**
Loss on discontinued operations, net of tax						**(85)**
Profit after tax, attributable to equity holders of the parent						**5,917**
Consolidated statement of financial position						
Segment assets	**61,992**	**27,094**	**17,343**	**9,752**	**-**	**116,181**
Segment liabilities	**(11,143)**	**(11,253)**	**(769)**	**(38,685)**	**-**	**(61,850)**
Net assets	**50,849**	**15,841**	**16,574**	**(28,933)**	**-**	**54,331**
Other segmental information						
Capital expenditure on property, plant and equipment	**3,415**	**2,602**	**1,131**	**40**	**-**	**7,188**
Capital expenditure on computer software	**-**	**16**	**-**	**33**	**-**	**49**
Depreciation	**2,371**	**657**	**152**	**24**	**-**	**3,204**
Amortisation of computer software	**16**	**35**	**-**	**14**	**-**	**65**

2. **Segment reporting** continued

Analysis by business segment

The segment results for the year ended 31 March 2010 were as follows –

	Technical Plastics £000	Precision Products £000	Conductive Inkjet Technology £000	Unallocated £000	Eliminations £000	Group total £000
Consolidated income statement						
Total revenue	51,124	30,525	281	-	(778)	81,152
Less inter-segment revenue	(636)	(142)	-	-	778	-
Total external revenue	50,488	30,383	281	-	-	81,152
Expenses	(46,082)	(27,740)	(370)	(1,291)	-	(75,483)
Underlying operating profit	4,406	2,643	(89)	(1,291)	-	5,669
Rationalisation costs	(275)	(10)	-	(12)	-	(297)
Profit on sale of surplus property	-	-	-	79	-	79
Operating profit	4,131	2,633	(89)	(1,224)	-	5,451
Net finance charge						(828)
Income tax expense						(948)
Loss on discontinued operations, net of tax						(223)
Profit after tax, attributable to equity holders of the parent						3,452
Consolidated statement of financial position						
Segment assets	59,575	24,993	15,172	12,140	-	111,880
Segment liabilities	(10,289)	(9,710)	(787)	(46,487)	-	(67,273)
Net assets	49,286	15,283	14,385	(34,347)	-	44,607
Other segmental information						
Capital expenditure on property, plant and equipment	1,752	550	379	137	-	2,818
Capital expenditure on computer software	45	82	-	11	-	138
Depreciation	2,423	625	120	5	-	3,173
Amortisation of computer software	9	35	-	18	-	62

2. Segment reporting continued

Analysis by geographical segment

The business operates in three main geographical regions – the United Kingdom, North America and in lower cost regions such as the Czech Republic, China and India.

The geographic analysis was as follows -

	External revenue		Segment assets		Expenditure on tangible fixed assets and computer software	
	2011 £000	2010 £000	**2011 £000**	2010 £000	**2011 £000**	2010 £000
United Kingdom	**26,678**	29,428	**18,632**	10,473	**5,985**	2,130
North America	**22,573**	20,300	**15,926**	16,347	**870**	598
Rest of world	**39,394**	31,424	**19,773**	17,787	**382**	228
	88,645	81,152	**54,331**	44,607	**7,237**	2,956

The analysis of segment revenue represents revenue from external customers based upon the location of the customer. The analysis of segment assets and capital expenditure is based upon the location of the assets.

3. Earnings per share

The calculation of basic earnings per share is based on the profit attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the year.

The calculation of diluted earnings per share is based on profit attributable to equity holders of the parent company divided by the weighted average number of ordinary shares outstanding during the year (adjusted for dilutive options).

The following details the profit and average number of shares used in calculating the basic and diluted earnings per share -

	2011 £000	2010 £000
Profit after tax from continuing operations	**6,002**	3,675
Loss from discontinued operations, net of tax	**(85)**	(223)
Profit after tax, attributable to equity holders of the parent	**5,917**	3,452

	2011 Shares	2010 Shares
Weighted average number of ordinary shares in the year	**61,425,277**	58,464,666
Effect of share options in issue	**268,262**	383,658
Weighted average number of ordinary shares (diluted) in the year	**61,693,539**	58,848,324

In addition to the above, the company also calculates an earnings per share on the underlying profits as the board believe this to be a better yardstick against which to judge the progress of the group. Underlying profit is defined as profit before rationalisation costs, one-off retirement benefit effects, exceptional bad debts, site closure costs and the impact of property and business disposals, net of attributable taxes.

3. Earnings per share continued

The following table reconciles the group's profit to underlying profit used in the numerator in calculating underlying earnings per share -

	2011 £000	2010 £000
Profit after tax, attributable to equity holders of the parent	**5,917**	3,452
Rationalisation costs, net of tax	**243**	236
Exceptional credit in respect of retirement benefits, net of tax	**(360)**	-
Disposal of surplus property	**-**	(79)
Loss on disposal of discontinued operations, net of tax	**85**	223
Underlying profit attributable to equity holders of the parent	**5,885**	3,832

The following table summarises the earnings per share figures based on the above data -

	2011 pence	2010 pence
Basic - continuing operations	**9.8**	6.3
Basic - discontinued operations	**(0.2)**	(0.4)
Basic – total	**9.6**	5.9
Diluted - continuing operations	**9.8**	6.3
Diluted - discontinued operations	**(0.2)**	(0.4)
Diluted – total	**9.6**	5.9
Underlying earnings per share – basic	**9.6**	6.6
Underlying earnings per share – diluted	**9.5**	6.5

4. Dividends paid and proposed

Ordinary dividends per 5 pence share declared in the period comprised -

	2011		2010	
	£000	**Pence**	£000	pence
Final dividend for 2008/09	**-**	-	776	1.35
Interim dividend for 2009/10	**-**	-	399	0.65
Final dividend for 2009/10	**828**	**1.35**	-	-
Interim dividend for 2010/11	**432**	**0.70**	-	-
	1,260	**2.05**	1,175	2.00

The directors are proposing a final dividend of 1.50 pence per ordinary share for the year ended 31 March 2011. If approved at the annual general meeting on 16 September 2011, the dividend payment totalling £0.923 million will be paid on 23 September 2011 to shareholders on the share register at close of business on 19 August 2011.

5. Ordinary share capital

	Number of Shares	£000
Ordinary shares 5 pence each		
Authorised at 31 March 2010 and 31 March 2011	**80,000,000**	**4,000**
Issued and fully paid at 31 March 2010	61,421,702	3,071
Shares issued on exercise of share options	140,000	7
Issued and fully paid at 31 March 2011	**61,561,702**	**3,078**

During the course of the financial year 140,000 shares were issued in respect of share options at an average exercise price of 110.0 pence per ordinary share. The shares are fully paid.

6. Cash generated from operations

	2011 **£000**	2010 £000
Operating profit	**6,143**	5,451
Adjustments for -		
Pension fund contributions in excess of service costs	**(1,607)**	(1,906)
Depreciation charge	**3,204**	3,173
Amortisation of intangible assets	**316**	183
Share of losses in associated undertaking	**10**	37
Provisions charged in respect of site closure	**-**	49
Cash flow relating to provision for site closure	**(502)**	(617)
Profit on disposal of other plant and equipment	**(42)**	(78)
Exceptional credit in respect of retirement benefits	**(500)**	-
Write down of assets charged to rationalisation costs	**-**	32
Share based payment charge	**144**	175
Operating cash flow before changes in working capital	**7,166**	6,499
Changes in working capital (excluding the effects of acquisition and disposal of subsidiaries)		
(Increase) / decrease in inventories	**(2,192)**	1,020
Decrease / (increase) in trade and other receivables	**1,441**	(2,606)
Increase / (decrease) in trade and other payables	**385**	(1,506)
Cash generated from operations	**6,800**	3,407