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Investor Briefing
FY2008

September 2008

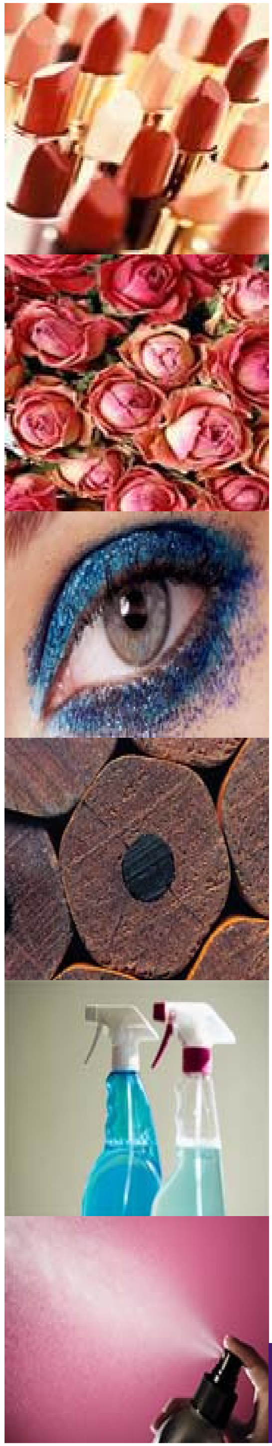
Creating and Delivering Solutions for our Customers' Success

Key Highlights

- Significant increase in dividend proposed
  - Final of 4.1p per share; total 2008 = 5.5p (2007: 1.3p)
- Net debt down 50% to £2.42m
  - Total reduction of £6.02m since 30 June 2005
- Adjusted EPS 9.2p v's 5.4p last year
  - Reported EPS 21.6p incl profit on sale of Lowmoor
- A number of key activities implemented

Background to Results

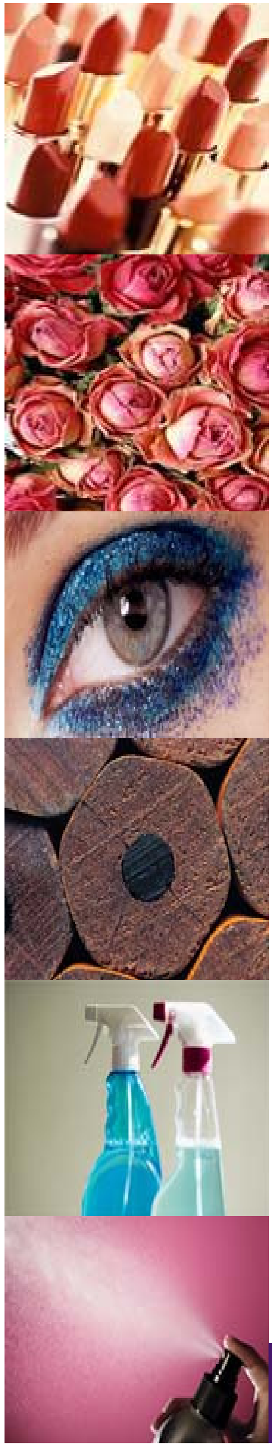
- Winning new business against background of:
  - Competitive market place
  - Significant economic downturn in major economies in last 3-6 months
- Positioning Swallowfield as a real provider of added value services
- Continuous Improvement still adding value
- Increased inflationary pressures



Progress (1)

Fast Pace of Change Continues

- Sale & Leaseback of Lowmoor warehouse
- Czech Republic operational
  - Small number of production lines still to transfer
- Chinese strategic alliance signed and activity in place to maximise opportunity
- Cosmetics division achieves hurdle rate of return
  - Working to make earnings less volatile
  - Further savings to make



Progress (2)

- Continuous Improvement (Lean)
    - creates improvements in service and cost base
- Level 2 NVQ's – 100 successful employees
- Graduate recruitment & apprenticeships re-introduced
- Defined benefit pension scheme triennial valuation underway

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Final results - June 2008

- Net Debt £2.4m; down by £2.5m
- Revenue £45m with higher net margins
- EBITDA* £2.8m; up by 5%
- Operating Profit* £1.5m; up by 17%
- Pre-tax Profit* £1.3m; up by 42%
- EpS* 9.2p; up by 70%
- Final Dividend 4.1p; total 2008 5.5p; (2007: 1.3p)

*Pre Exceptional Items

52 weeks	FY2008 £'000	FY2007 £'000	
Revenue	44,820	44,715	0%
EBITDA*	2,752	2,626	5%
Operating Profit*	1,537	1,318	17%
Exceptional Items	1,024	(244)	
Net Interest	(217)	(387)	-44%
Pre-tax Profit*	1,320	931	42%
EPS*	9.2p	5.4p	70%
Net Debt	2,418	4,882	-50%

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H2 v H2 comparison

- Revenue £21.3m, up 12% on 2007
- EBITDA* £1.3m; up by 22%
- Operating Profit* £0.7m; up by 53%, despite new rent re Lowmoor
- Net interest one-third of 2007
- Pre-tax Profit* £0.7m; up by 115%
- EpS* 4.9p; up by 206%
- Final Dividend 4.1p; (2007: 1.3p)

*Pre Exceptional Items

	FY2008 H2 £'000	FY2007 H2 £'000	H2 v H2
Revenue	21,291	18,995	12%
EBITDA*	1,265	1,037	22%
Operating Profit*	707	463	53%
Exceptional Items	0	0	
Net Interest	(50)	(157)	-68%
Pre-tax Profit*	657	306	115%
EPS*	4.9p	1.6p	206%

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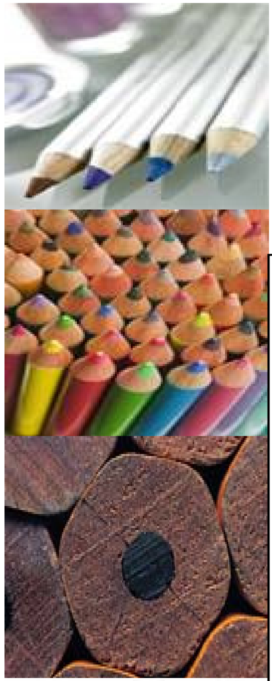
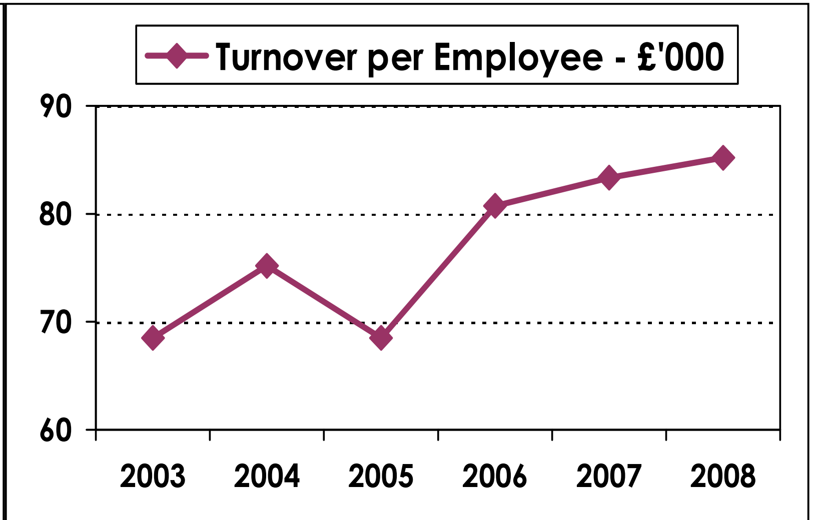
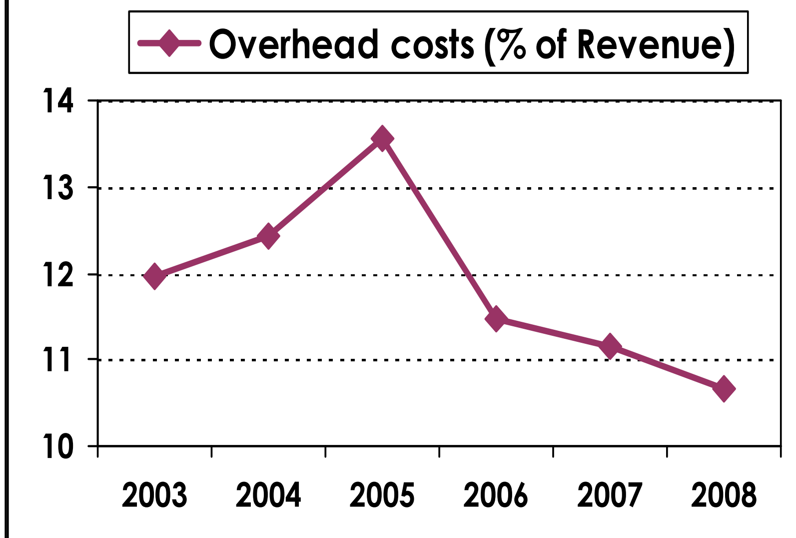


Operational highlights

- Continuing operational efficiencies
  - Lean & automation improving factory efficiencies
- Cost savings being retained
- Czech Republic into production in <12months
- Sale & L/back complete
  - further unit for sale
- Continuous Improvement in Quality, Cost, Service and Innovation showing signs of success





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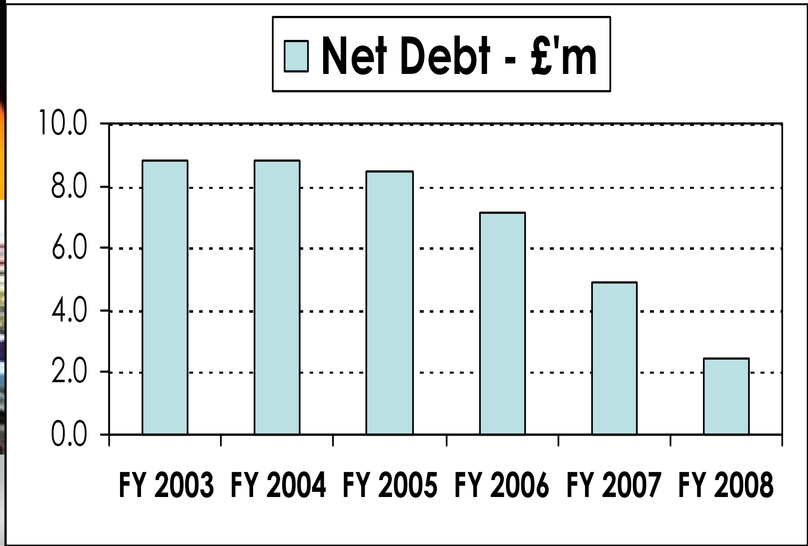
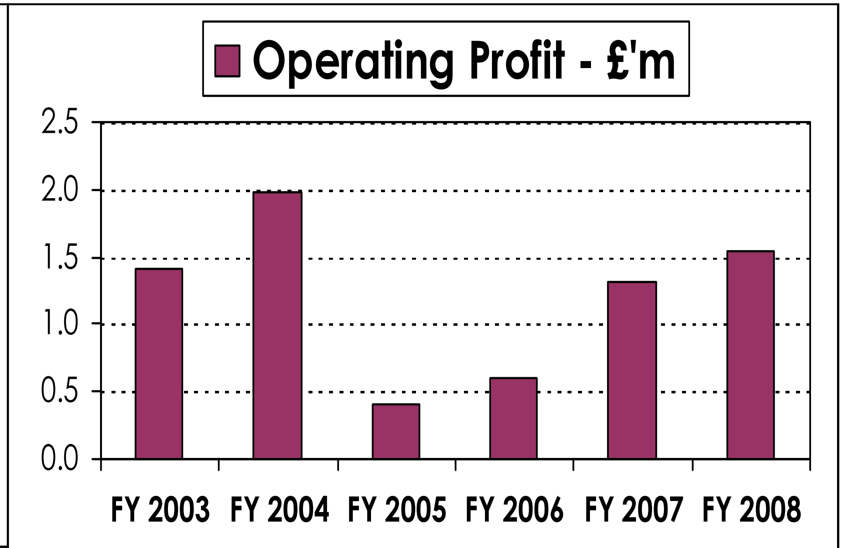
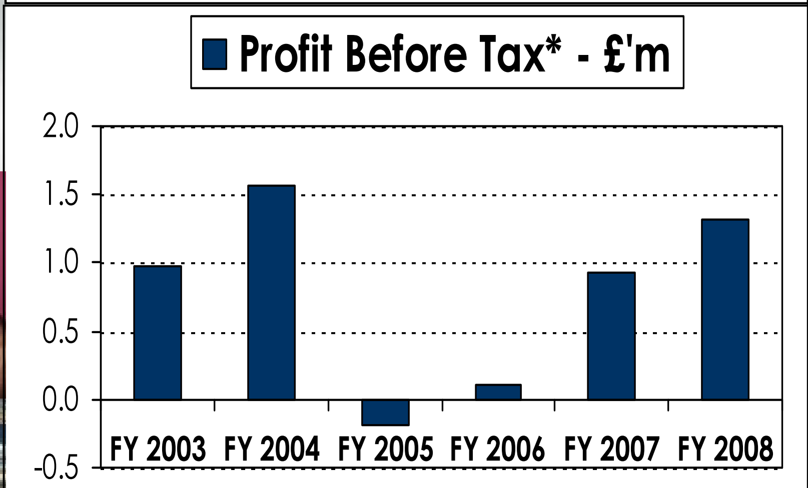
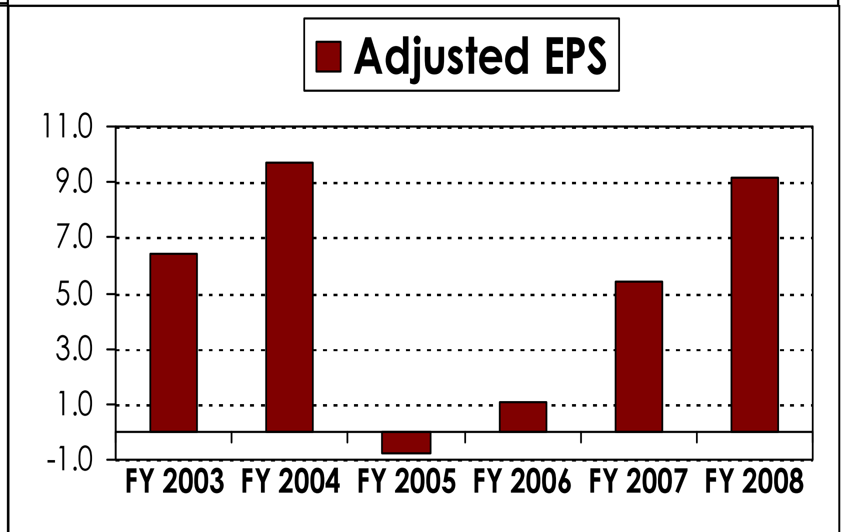
Six year summary







* Pre- Exceptionals



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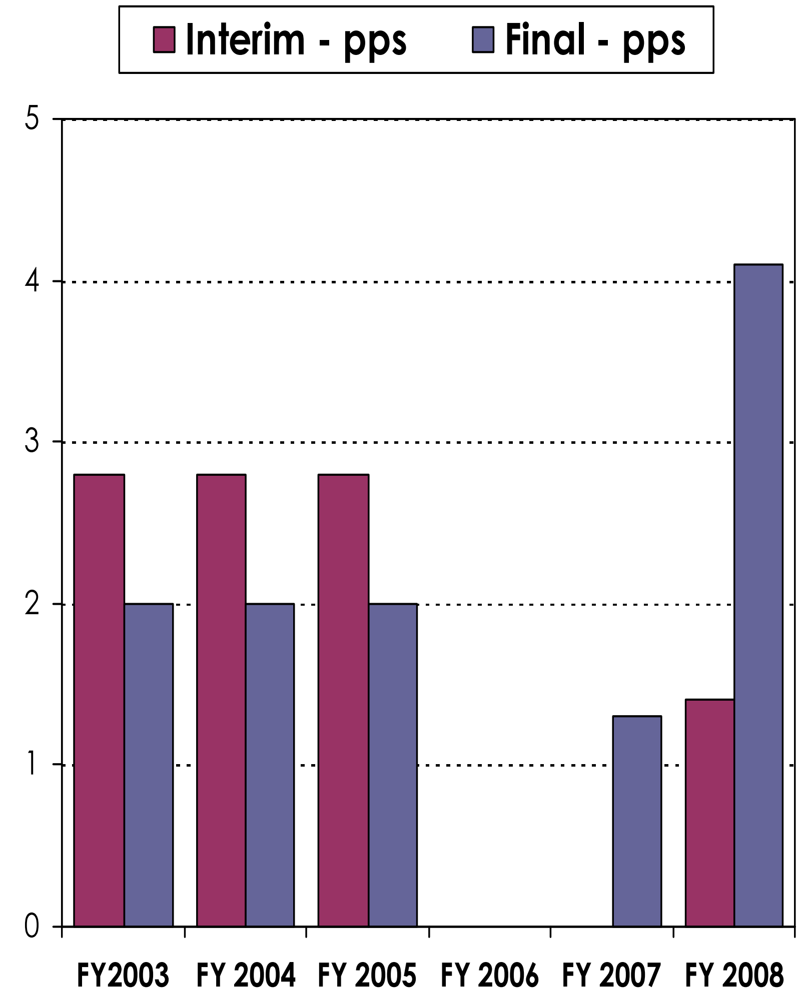
Taxation

- Credit of £0.09m for the year in place of expected charge of £0.38m, results from:
  - £0.29m release of deferred tax on changes to IBAs
  - £0.09m prior year adjustment
- Carried forward losses in Czech Republic to be utilised over next two/three years
- 29.5% effective tax rate for the future, subject to level of R&D tax credits
- Elimination of IBAs adds £0.01m to future tax payments from 2011

Dividends

- Restoring full dividends
- Target of 1.5x cover on 'normalised' post-tax profits in future
- Interim/Final = 40%/60% split
- Paid in May (Interim) and November (Final)



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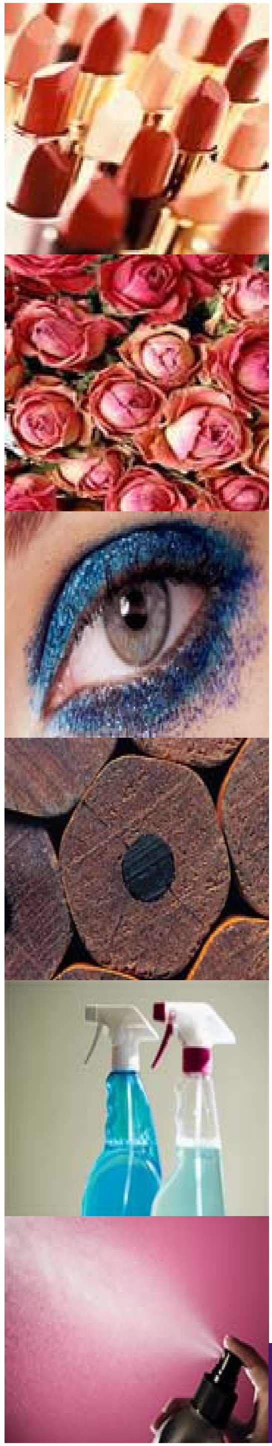

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Strategy Headlines

- 4 key elements to the strategy:
  - Organic development based on continuous improvement in Quality, Cost, Service and Innovation
  - Expand geographic delivery capability
  - Widen product capability and technology
  - Possible acquisitions to support the first three objectives

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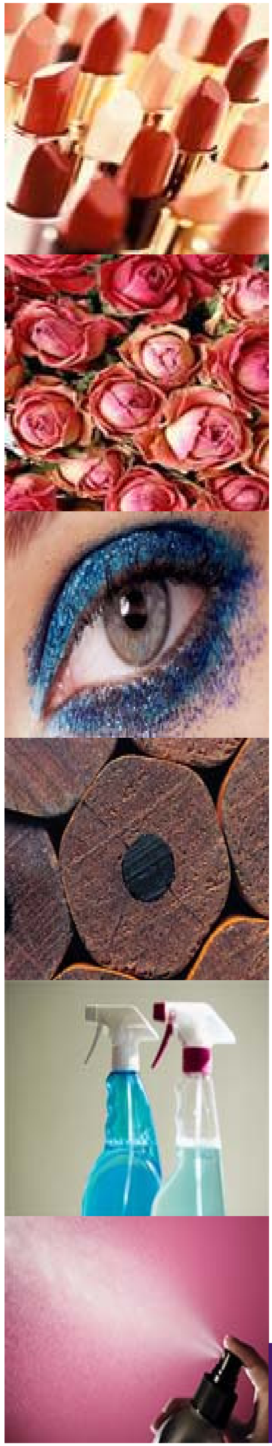

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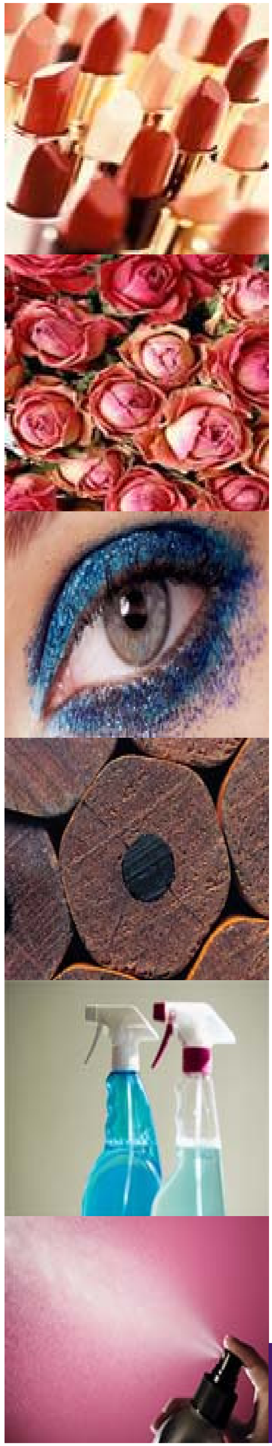
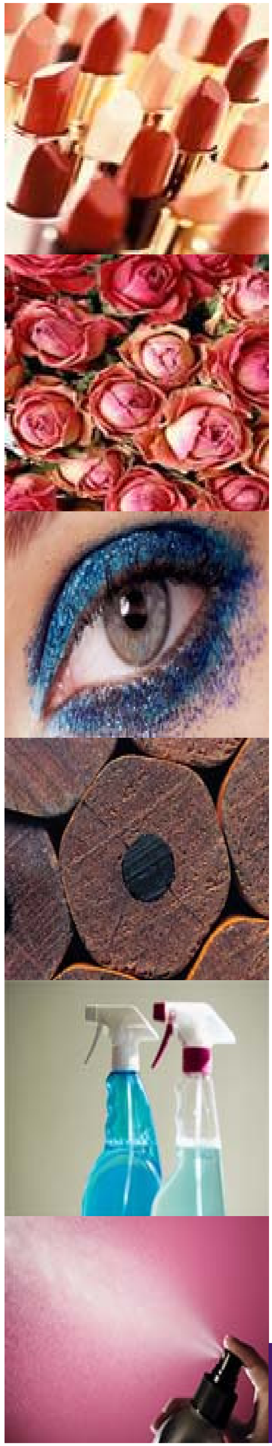
Looking Forward (1)

- Expect further year-on-year progress taking into account:
  - Utility increases
  - Material cost pressures to continue
- Capex investment directed towards:
  - Efficiency
  - New technology
  - Inventory consolidation
- Continuous improvement in Q,C,D,I,P,S showing signs of success and providing organic growth



Looking Forward (2)

- Opening of French sales office
- Reviewing possibility of US sales office
- Property
  - Sale of small warehouse at Bideford
  - Reviewing ways to enhance shareholder value from remaining property portfolio
- Continue to develop Czech Republic and China



Summary

- Achieved revenue growth in second half
- Met expectations against an increasingly difficult backdrop
- Further significant debt reduction – lowest level in June for around 20 years
- Significant increase in dividend
- Disposal of Lowmoor during difficult commercial property market

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