



ORGANIC GROWTH

INNOVATION



DIVERSIFICATION



## Preliminary Results FY2015

16 June 2015

Jon Glenn, CEO  
Richard Cotton, CFO

*Sustained  
Growth through*  
**INNOVATION &  
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# Agenda

- Highlights and Strategy
- Financial Review
- Aesica Acquisition and Integration Update
- Aesica:
  - Operational Review
  - Business Development and Innovation
- Bepak:
  - Operational Review
  - Development Pipeline
  - Innovation
- Summary and Outlook

## Appendix

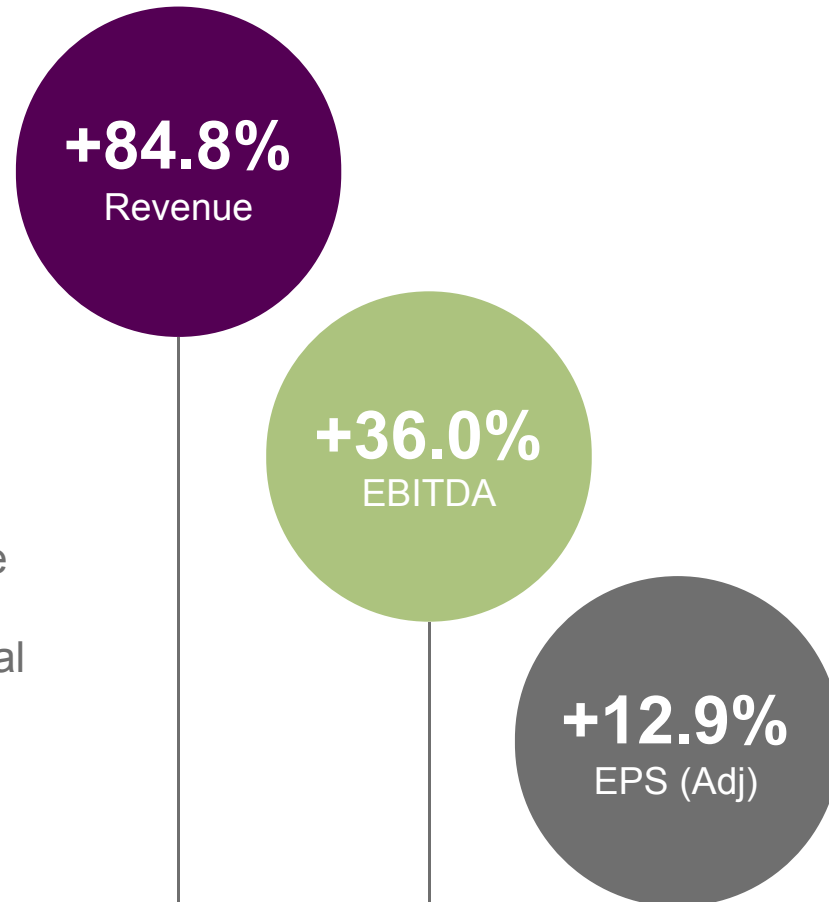
## Operational Highlights – a Transformational Year

- Two new development contracts for injectables products
- New IDC and pMDI supply agreement – first commercial oral variant of our device
- MHRA Marketing Authorisation for Voke<sup>®</sup> brings launch closer
- Commercial unveiling of new Lapas<sup>®</sup> innovative bolus injector platform
- Acquisition of Aesica – integration programme completed



## Financial Highlights<sup>1</sup>

- Revenue grew 84.8% to £184.8m
  - Bespak +5.8% to £105.8m
  - Aesica £79.0m<sup>2</sup>
- EBITDA<sup>3</sup> +36.0% to £33.2m
  - Bespak +7.3% to £26.2m
  - Aesica £7.0m<sup>2</sup>
- PBT<sup>3</sup> +29.5% to £22.7m
- EPS (Adjusted) +12.9% to 47.8p / share
- Final dividend unchanged at 11.68p; total dividend of 18.11p (FY2014: 18.11p)
- Net debt of £99.2m (FY2014: net cash £25.8m)

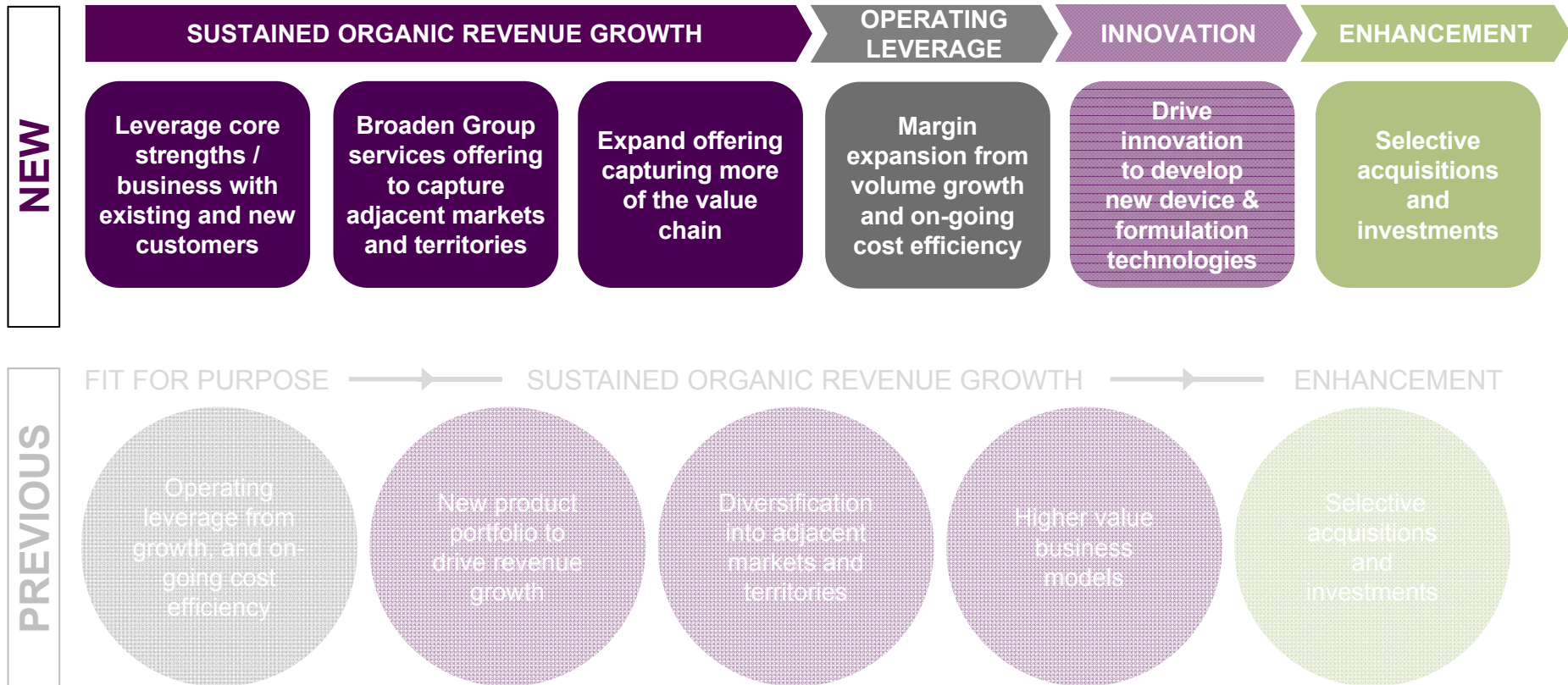


<sup>1</sup> Financial performance metrics relate to continuing operations unless stated otherwise.

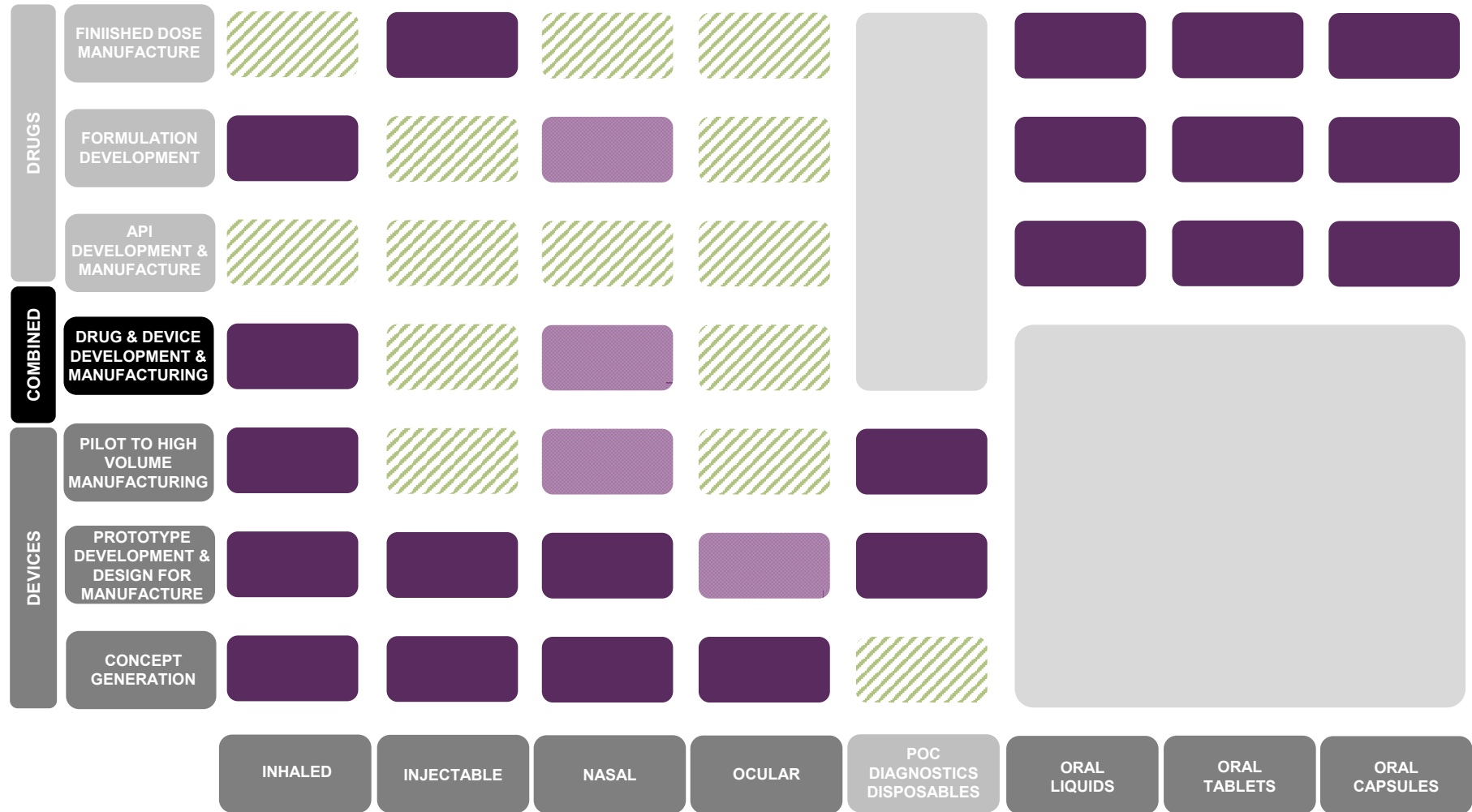
<sup>2</sup> 5.5 month period since acquisition

<sup>3</sup> Before special items which includes Aesica acquisition costs of £5.4m; integration costs of £1.9m; amortisation of intangible assets of £6.8m and other costs of £3.1m

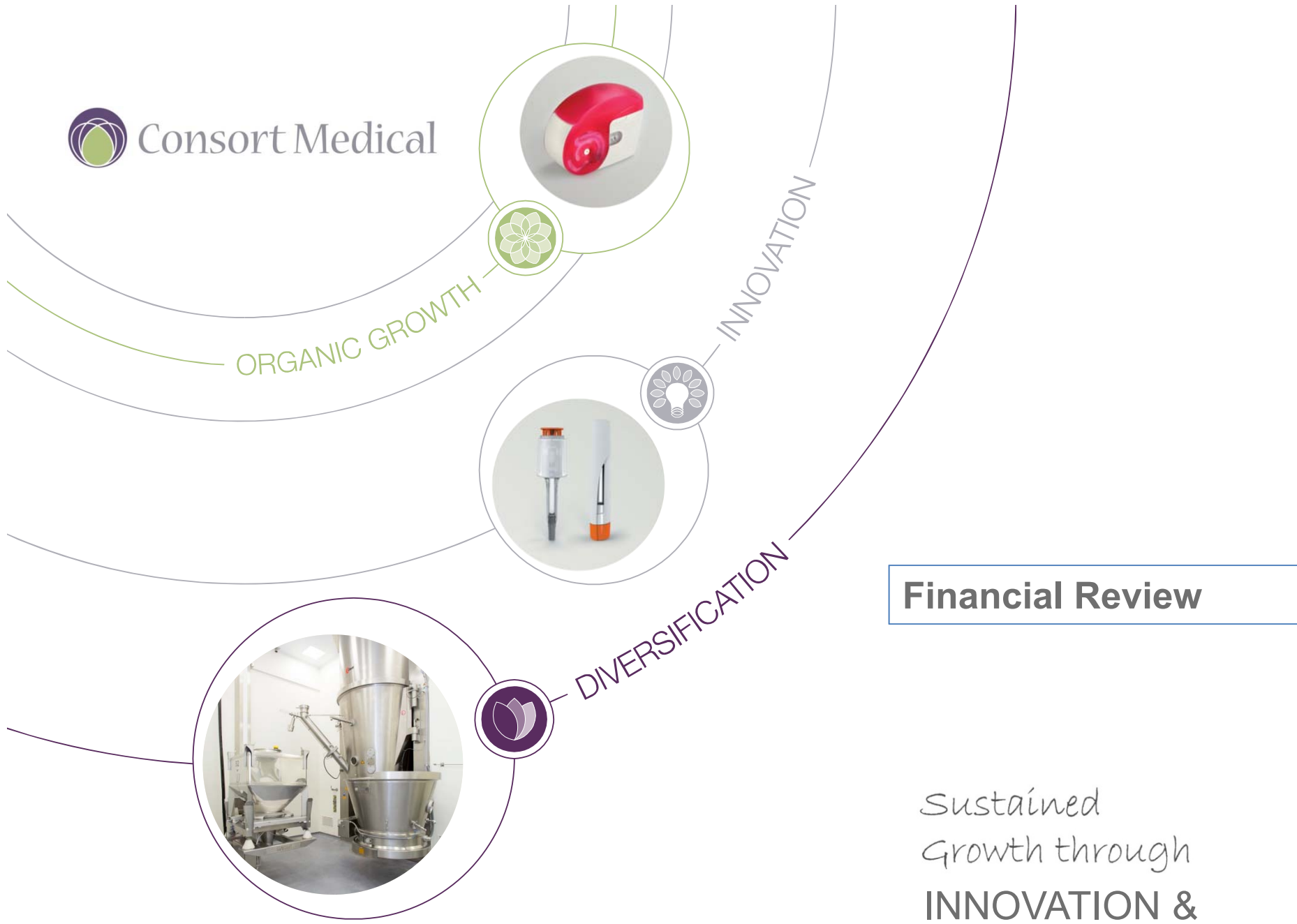
# Evolving Strategy for Sustainable Growth



# Consort Medical's Integrated Pharma Services Offering



CURRENT
  IN DEVELOPMENT
  POTENTIAL
  NOT RELEVANT





## Income Statement FY2015<sup>1</sup>

GBPm	FY 2015	FY 2014	Growth	%
<b>Revenue from products and services</b>	<b>184.8</b>	<b>100.0</b>	<b>84.8</b>	<b>84.8</b>
<b>Operating profit before special items</b>	<b>25.1</b>	<b>18.8</b>	<b>6.3</b>	<b>33.3</b>
Margin %	13.6%	18.8%		
Net finance costs	(2.4)	(1.3)	(1.1)	86.8
<b>Profit before tax and special items</b>	<b>22.7</b>	<b>17.5</b>	<b>5.2</b>	<b>29.5</b>
Taxation before special items	(3.3)	(3.6)	0.3	(22.1)
Tax rate %	14.4%	20.6%		
<b>Profit after tax before special items</b>	<b>19.4</b>	<b>13.9</b>	<b>5.5</b>	<b>39.6</b>
<b>Adjusted earnings per share<sup>2</sup></b>	<b>47.8p</b>	<b>42.3p</b>	<b>5.5p</b>	<b>12.9</b>

<sup>1</sup> information relates to continuing operations only.

<sup>2</sup> adjusted earnings per share for FY2014 has been restated for the impact of the Rights Issue.

## Segmental Analysis

GBPm	Historical basis FY2015	Reallocation of corporate FY2015	As reported FY2015	@ constant currency <sup>1</sup> FY2015	FY2014	Growth on FY2014	%
<b>Revenue</b>	<b>184.8</b>		<b>184.8</b>	<b>189.1</b>	<b>100.0</b>	<b>89.1</b>	<b>89.1</b>
<i>Aesica</i>	79.0	-	79.0	83.3	-	N/M	N/M
<i>Bespak</i>	105.8	-	105.8	105.8	100.0	5.8	5.8
<b>EBITDA (before special items)</b>	<b>33.2</b>		<b>33.2</b>	<b>33.8</b>	<b>24.4</b>	<b>9.4</b>	<b>38.5</b>
<i>Aesica</i>	7.8	(0.8)	7.0	7.7	-	N/M	N/M
<i>Bespak</i>	25.4	0.8	26.2	26.2	24.4	1.8	7.3
<b>EBIT (before special items)</b>	<b>25.1</b>		<b>25.1</b>	<b>25.6</b>	<b>18.8</b>	<b>6.8</b>	<b>36.3</b>
<i>Aesica</i>	5.0	(0.8)	4.2	4.7	-	N/M	N/M
<i>Bespak</i>	20.1	0.8	20.9	20.9	18.8	2.1	11.3

<sup>1</sup> Performance restated for the acquisition assumption rate.

## Currency Rates

<b>Euro rate assumptions</b>	<b>€ : £1</b>
Acquisition assumption	1.20
FY2015	1.28
November 2014 to April 2015	1.33
Current spot (15 June 2015)	1.38
Planned	1.40

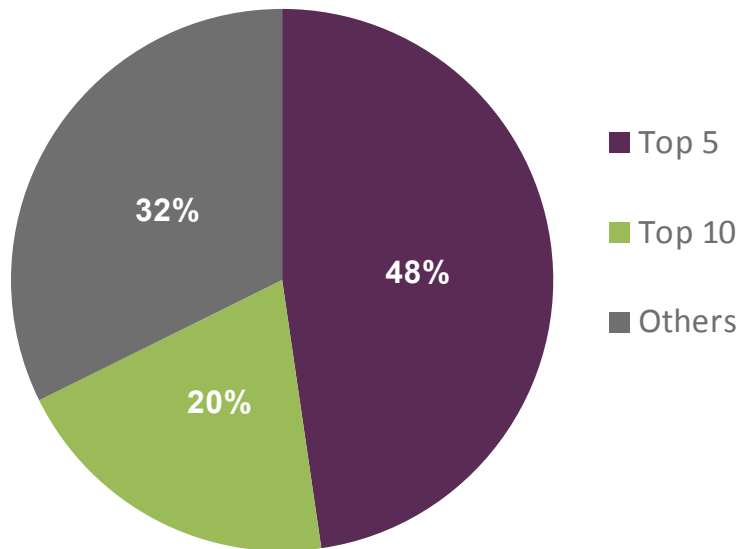
  

<b>1c movement in foreign currency has following effect:</b>	<b>£'m</b>
Revenue <sup>1</sup>	0.7
EBIT <sup>1</sup>	0.1

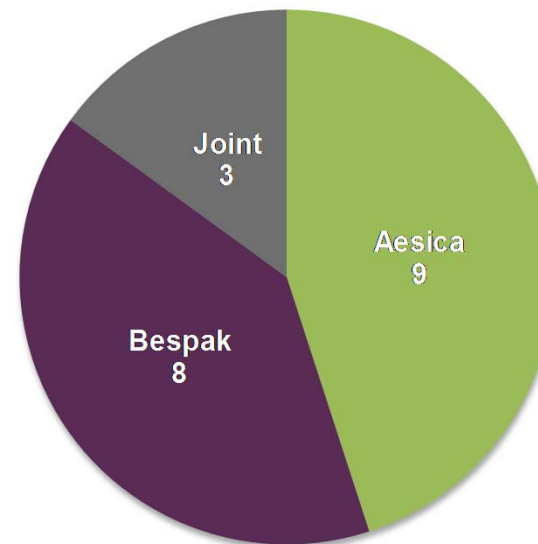
<sup>1</sup> calculation to restate FY2015 Aesica performance for the stated change in FX rate.

## Group Customers – FY2015 Divisional Analysis

Customer dependency - FY 2015



Top 20 Customers, By Number - FY 2015

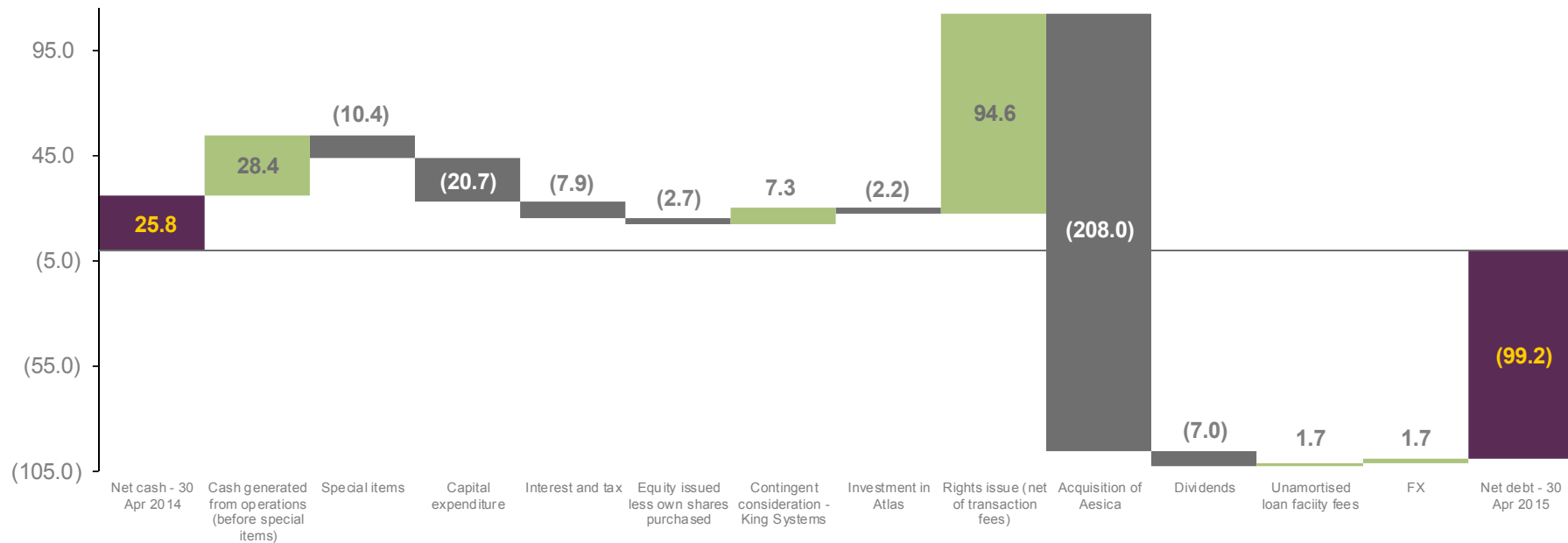


## Cash Flow Statement FY2015<sup>1</sup>

GBPm	FY 2015	FY 2014	Growth	%
<b>Operating profit (before special items)</b>	<b>25.1</b>	<b>18.8</b>		
Depreciation & amortisation	8.1	5.6		
<b>EBITDA</b>	<b>33.2</b>	<b>24.4</b>	8.8	36.0
EBITDA %	18.0%	24.4%		
Working capital	(6.5)	(7.2)		
Share based payments & other	1.7	2.0		
<b>Cash generated from operations (before special items)</b>	<b>28.4</b>	<b>19.2</b>	9.2	47.8
Special items	(10.4)	(1.0)		
<b>Cash generated from operations</b>	<b>18.0</b>	<b>18.2</b>	(0.2)	(1.2)
Interest paid	(1.3)	(0.6)		
Tax	(4.8)	(3.6)		
<b>Cash generated from operating activities</b>	<b>11.9</b>	<b>14.0</b>	(2.1)	(15.1)
Capital expenditure	(20.7)	(16.3)		
Equity issued less own shares purchased	(2.7)	(2.6)		
Interest received	0.1	0.2		
Contingent consideration received	7.3	(0.4)		
<b>Free cash flow</b>	<b>(4.0)</b>	<b>(5.1)</b>	1.1	(21.5)

<sup>1</sup> information relates to continuing operations only.

# Cash / (Debt) Evolution



## Full Year Dividend

- Final Dividend unchanged at 11.68p / share (FY2014: 11.68p<sup>1</sup>)
- Full year dividend, after adjusting for the effect of the Rights Issue made in the year, unchanged at 18.11p / share
- Board is confident in current performance and growth prospects
  - Also considers Cover, Yield, Cashflow
- Dividend Cover of 2.67x (FY2014: 2.35x), before special items
- As previously announced, Board intends to pay dividends with cover 2 to 3x adj. EPS
  - Reflecting Group's performance, prospects and investment opportunities

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<sup>1</sup> prior year dividend adjusted to account for bonus factor as a result of rights issue in FY 2015

# Tax

## Tax rate

- Effective tax rate from continuing operations before special items for the period reduced to 14.4% (FY2014: 20.6%)
- Mainly a result of current year benefit associated with Patent Box regime and brought forward Aesica tax losses

## Bespak Patent Box Effect

- Underlying rate: £1.2m cash earnings; 2.8p Adjusted Basic EPS
- Specials FY2013 (1 month): £0.1m cash earnings; 0.3p Basic EPS
- Specials FY2014: £1.2m cash earnings; 3.0p Basic EPS

## Other Effects

- Aesica historic UK tax losses
- European earnings from Germany and Italy at higher rates
- Significant mix effect

## Guidance for FY2016

- After reflecting the above the expected tax rate for FY2016 is 19%.



## Other Financial Items

### Special items

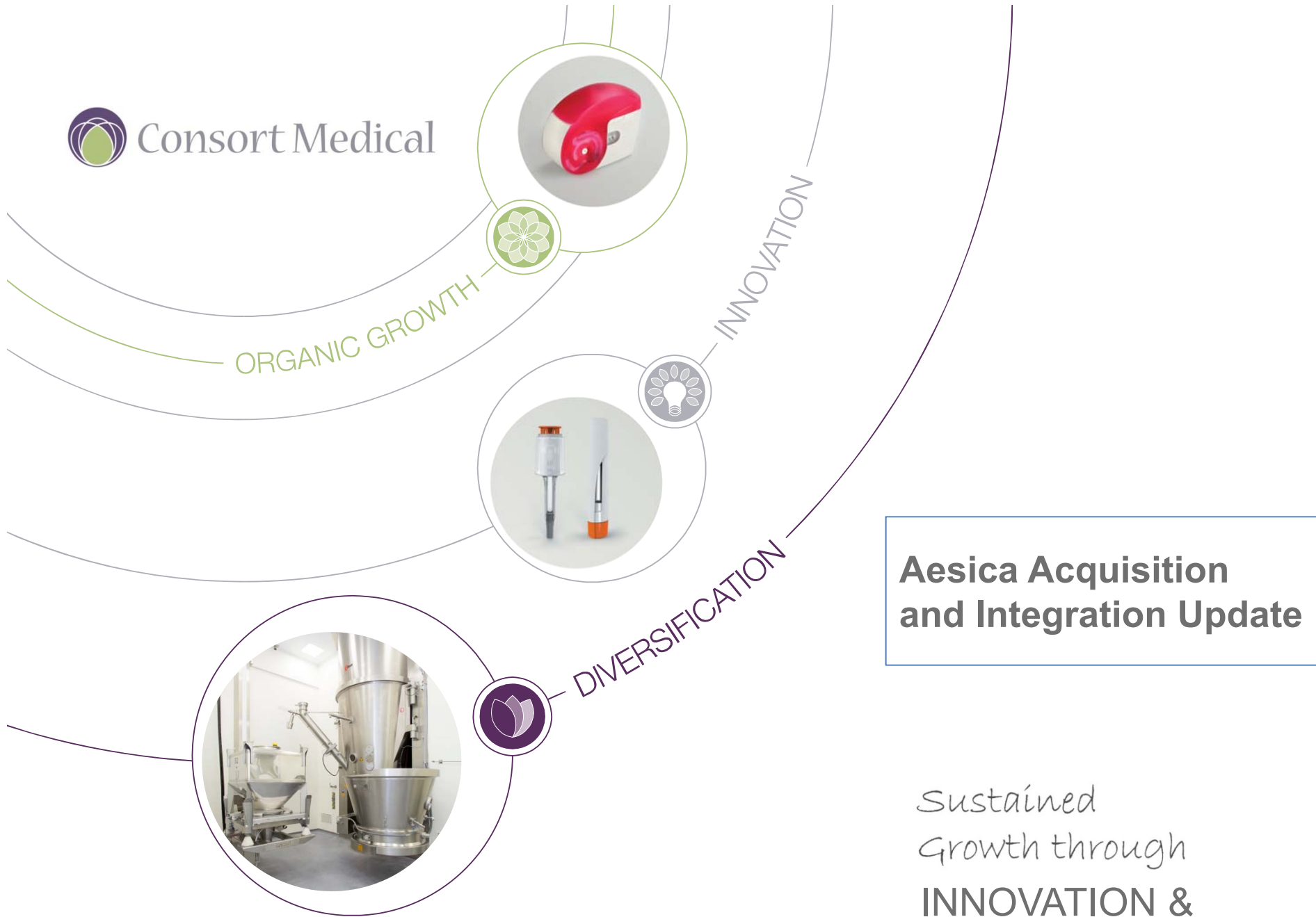
- £17.2m (FY2014: £1.4m)
  - £5.4m Aesica acquisition costs
  - £1.9m Aesica integration costs
  - £6.8m amortisation of intangible assets (FY2014: £0.8m) - £0.8m relating to Medical House and £6.0m relating to Aesica
  - £3.1m accelerated amortisation of prepaid facility fees and other costs

### Pension scheme

- IAS19 pension valuation: Bespak scheme deficit £17.8m (FY2014: £2.1m) – unfavourable movement in discount rates and a review of other actuarial assumptions
- Last triennial actuarial valuation 30 April 2014 – currently being finalised. Similar impact from discount rates expected.
- Addition of German and Italian Aesica schemes valued at £3.3m using IAS19.

### Bank facilities

- Net debt of £99.2m at year end (FY2014: net cash £25.8m)
- Total facilities: £160m banking facility and a further £65m available under the accordion



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## Integration Programme Complete; Ongoing Programmes Initiated

Following transaction completion (12 Nov 2014) the Group initiated a rapid (3 months) but comprehensive integration programme in order to achieve the following:

- **Commercial:** Identify cross selling and integrated commercial offerings opportunities
  - Significant number of joint meetings held
- **Reorganisation / Initiatives:** Further validate and realise the potential synergies and opportunities from combining the two businesses
  - Take appropriate reorganisation actions to realise the synergies and opportunities identified during due diligence and initiate processes to realise longer term benefits
- **Alignment:** Align the Aesica business with the Consort controls and management systems

## Integration and Reorganisation Initiatives

### Sites and facilities

- **Newcastle:** Changed from a corporate head office to a shared service centre and will move to alternative premises locally – cash cost c. £1.2m
- **Monheim:** Restructuring process already planned at the time of the acquisition - major restructuring of Operations to improve productivity of the site – cash cost c. £3.0m
- **Nottingham:** Formulation development activities to be relocated to Queenborough - cash cost c. £3.5m

### Leadership

- Leadership reorganised, consolidating a number of duplicate corporate activities that overlapped with Consort

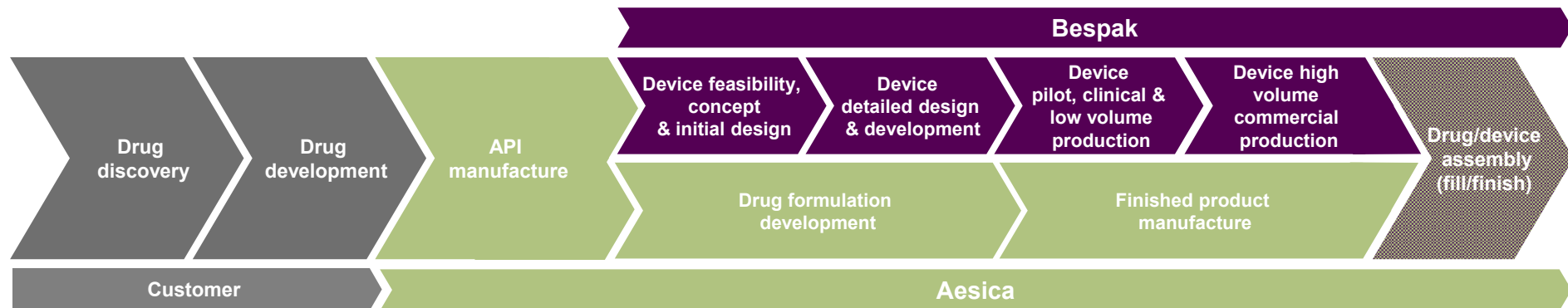
### Procurement

- Combined overhead spends provide opportunities to leverage procurement benefits to the enlarged group

# Enlarged Group at a Glance – Single Source Manufacturing

A leading global contract development and manufacturing organisation (CDMO), providing advanced delivery technologies, formulation and manufacturing solutions for drugs.

<p><b>Market Drivers</b></p> <ul style="list-style-type: none"> <li>• Increased pharma outsourcing</li> <li>• Pharma seeking fewer, deeper, broader CDMO partnerships</li> <li>• Growth of generics &amp; biologics</li> <li>• Drug/device combination products</li> <li>• Growth of emerging markets' demand</li> </ul>	<p><b>Competencies</b></p> <ol style="list-style-type: none"> <li>1. Device Innovation, Development &amp; Manufacturing</li> <li>2. Finished Dose Development and Formulation</li> <li>3. Finished Dose Manufacturing</li> <li>4. API Manufacturing</li> </ol>	<p><b>Customers</b></p> <p>Pharma companies including:</p> <ul style="list-style-type: none"> <li>• Boehringer Ingelheim</li> <li>• Chiesi</li> <li>• Dr. Reddy's</li> <li>• GSK</li> <li>• J&amp;J (Noramco)</li> <li>• Merck</li> <li>• Teva</li> <li>• UCB</li> </ul>	<p><b>Facilities</b></p> <table border="0"> <tr><td>Cambridge</td><td>UK</td></tr> <tr><td>Cramlington</td><td>UK</td></tr> <tr><td>King's Lynn</td><td>UK</td></tr> <tr><td>Milton Keynes</td><td>UK</td></tr> <tr><td>Nelson</td><td>UK</td></tr> <tr><td>Newcastle</td><td>UK</td></tr> <tr><td>Nottingham</td><td>UK</td></tr> <tr><td>Queenborough</td><td>UK</td></tr> <tr><td>Monheim</td><td>GER</td></tr> <tr><td>Zwickau</td><td>GER</td></tr> <tr><td>Pianezza</td><td>IT</td></tr> </table>	Cambridge	UK	Cramlington	UK	King's Lynn	UK	Milton Keynes	UK	Nelson	UK	Newcastle	UK	Nottingham	UK	Queenborough	UK	Monheim	GER	Zwickau	GER	Pianezza	IT
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**Aesica:  
Operational Review  
and  
Innovation**

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## Aesica Operational Review

### API

- Continued strong position in the global Flurbiprofen market
- A number of API development projects entering the validation stage which should give rise to future revenues

### Finished Dose Manufacturing

- Stable demand from key customers
- Revenues lifted by a number of new product launches, a result of customer cross-licensing of products in current portfolio
- Brought to market readiness a product manufactured using the first semi-continuous processing line and technology installed at a CDMO

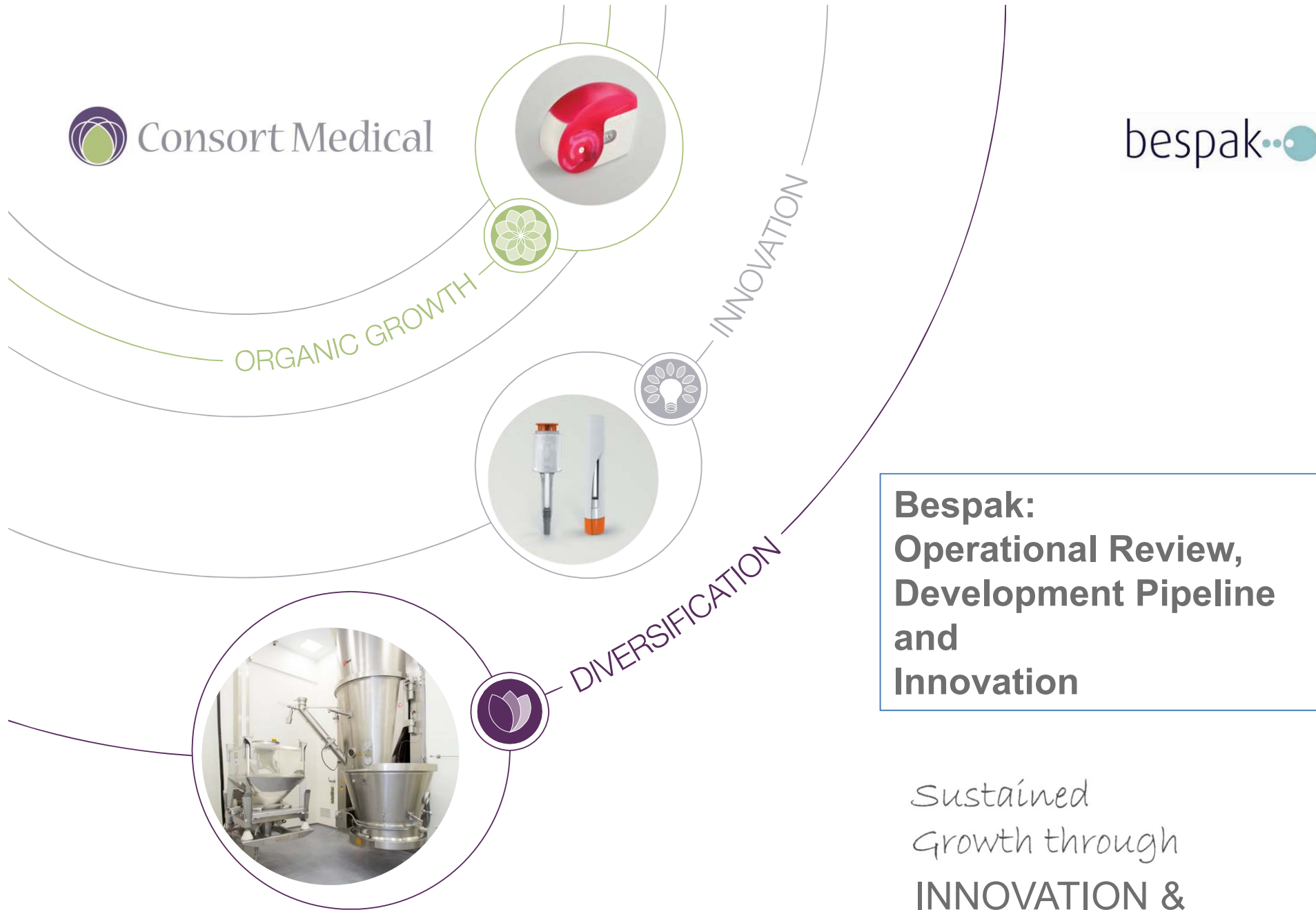
## Aesica Innovation – Semi-Continuous Manufacturing

- In collaboration with a key strategic customer, brought to market readiness a product manufactured using the first semi-continuous processing line installed at a CDMO
- Line delivers continuous flow from the wet granulation stage through to tablet compression
- Initial blending through to the production of uncoated tablets ~40 mins (hours for traditional batch-based methods)
- Semi-Continuous Manufacturing meets market demand for shortened drug development times, a reduction in the quantity of API required in development and a reduction in clean down and batch transfer loss during the manufacturing process
- Also enables process development, clinical scale manufacture and commercial manufacture to be carried out on the same piece of equipment - results in rapid collection of data



## Aesica Business Development

- Broadly two pools of business development: development services and manufacturing services - some overlap
- **Development services:** applying know-how in API / formulation development to a wide range of project opportunities for a wide range of customers at different stages of the clinical trial cycle
- **Manufacturing services:** bulk of revenue comes from the application of Aesica's process technology and know-how to specific drug manufacturing opportunities
- Aesica's commercial team is focused on a growing pipeline of API / formulation development and manufacturing opportunities
- In common with Bespak, there is significant contractual and commercial confidentiality as to identity of specific projects and contracts



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## Bespak Operational Highlights

### Chiesi NEXThaler®

- Sales continue to grow strongly: device sales up 26%
- Further territories launched during period including major markets of France, UK & Brazil
- Fully automated assembly operations in King's Lynn successfully commissioned
- Expanded manufacturing facilities in King's Lynn advancing well



### Dr. Reddy's Autoinjector

- Generic sumatriptan launched Feb 2014
- Strong sales during the period exceeding our expectations



### Service Revenue +19%

- Significant service activity
- Driven by 12 development programmes

## Bespak Development Portfolio – Voke® Update

### DEV200 Nicoventures – Nicotine Delivery

- Voke® Inhaler granted Marketing Authorisation (MA) by the MHRA in Sep 2014
- In Feb 2015 Kind Consumer were granted Marketing Authorisation for the variation to Voke from MHRA
- Product launch is expected later this year
- Production facilities to support product launch are already in place at Bespak's King's Lynn facility
- Production readiness of the expanded facilities to support full contracted volumes is well advanced



## Bespak Development Portfolio – Atlas Update

### POC010 Atlas Genetics - POC Test Cartridge

- Manufacturing line complete
- Pilot scale assembly to support qualification / CE marking
- Awaiting CE marking and launch of io<sup>®</sup> system
- In Jan 2015 made a further £2.2m investment in Atlas (as part of a £12.7m equity financing) maintaining 17.3% shareholding



## Bespak Development Portfolio – New Contract Awards

### Strong commercial performance – 3 new contract awards

#### **IDC300 Pharma Co. – Oral Integrated Dose Counter (IDC)**

- Contract awarded in February 2015
- Multi-year supply agreement covering development and supply of both the IDC actuator and the pMDI valve
- This IDC programme represents the first commercial oral variant of the device, which is already approved and marketed for a nasal-delivered drug
- Dose-counting provides patients with a reliable, easy to read indication of how many doses are left inside the canister in line with FDA guidance



#### **INJ650 Global Generic – ASI<sup>®</sup> Autoinjector**

- Development contract awarded in October 2014

#### **INJ700 Pharma Co. – Lila Mix<sup>™</sup> Injector**

- Development contract awarded in October 2014

## Bespak's Development Portfolio – 12 Programmes

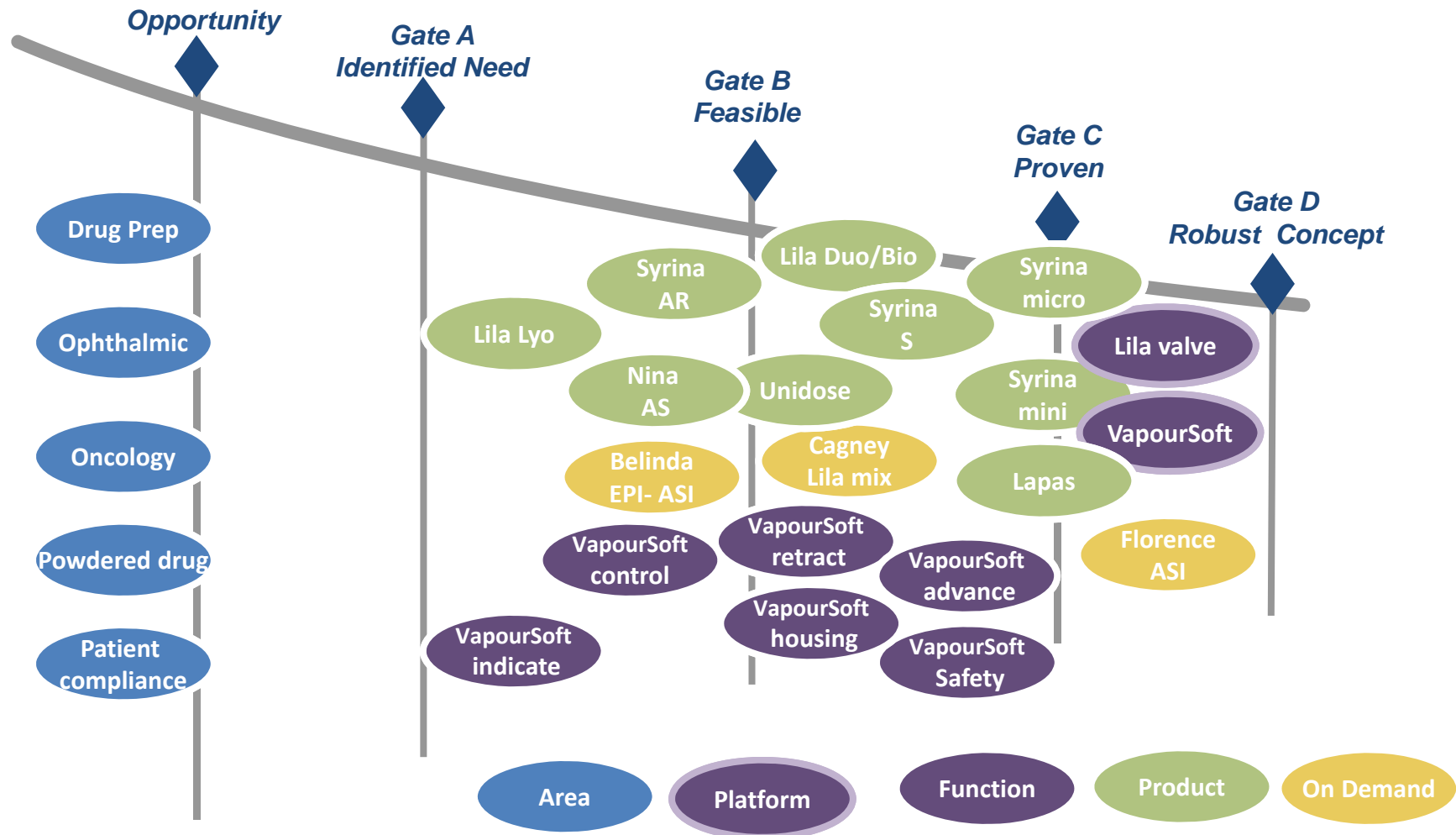
Project	Description	Customer	Status
VAL310	Easifill primeless valve	US Pharma	Awaiting regulatory approval.
INJ570	Auto injector	Global Pharma	Awaiting regulatory approval.
VAL020	MDI valve	Global Pharma	Stability trials complete.
DEV200	Nicotine delivery	Nicoventures	MHRA Marketing Authorisation and variation granted. Launch expected in 2015.
POC010	POC test cartridge	Atlas Genetics	Awaiting CE marking.
NAS020	Nasal device	Global Generic	Formulation change; brief under review.
DEV610	DPI	Global Pharma	Good progress. Launch now expected H2 2016.
NAS030	Nasal device	Global Pharma	Early stage programme.
INJ600	PatchPump® for Treprostinil	SteadyMed Therapeutics	Good progress made. NDA submission planned H1 2016.
INJ650	ASI® Autoinjector	Global Generic	Contract awarded in Oct 2014.
INJ700	Lila Mix® Injector	Pharma Co.	Contract awarded in Oct 2014.
IDC300	Oral IDC	Pharma Co.	Contract awarded Feb 2015.

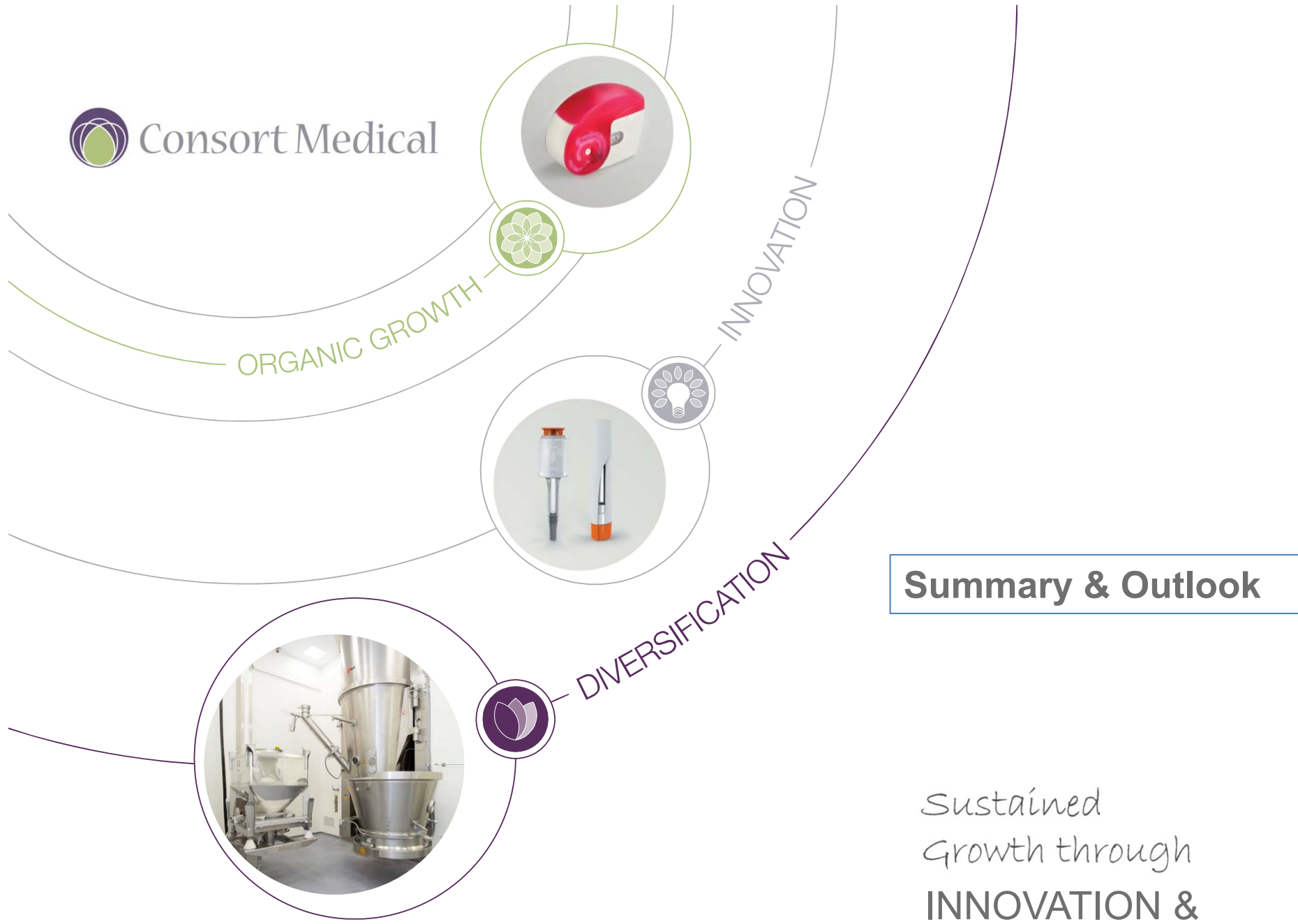
## Bespak Innovation

- Commercialisation of Syrina<sup>®</sup>, Vapoursoft<sup>®</sup> and Lila<sup>®</sup> ranges
  - Significant interest from several pharma companies with injectable drug portfolios
  - Closure of first development agreement for Lila Mix<sup>®</sup>
  - Syrina<sup>®</sup> - initial development programme with a major biotech company to develop product demonstrators – completed successfully
- Moved to new dedicated facility in Cambridge (operational Jan 2015)
  - Laboratories and development scale manufacturing
  - Accommodate research and design / development team (currently 21) and operations
- Commercial launch of new Lapas<sup>®</sup> bolus injector at Oct 2014 PDA exhibition



# Bespak Innovation Pipeline



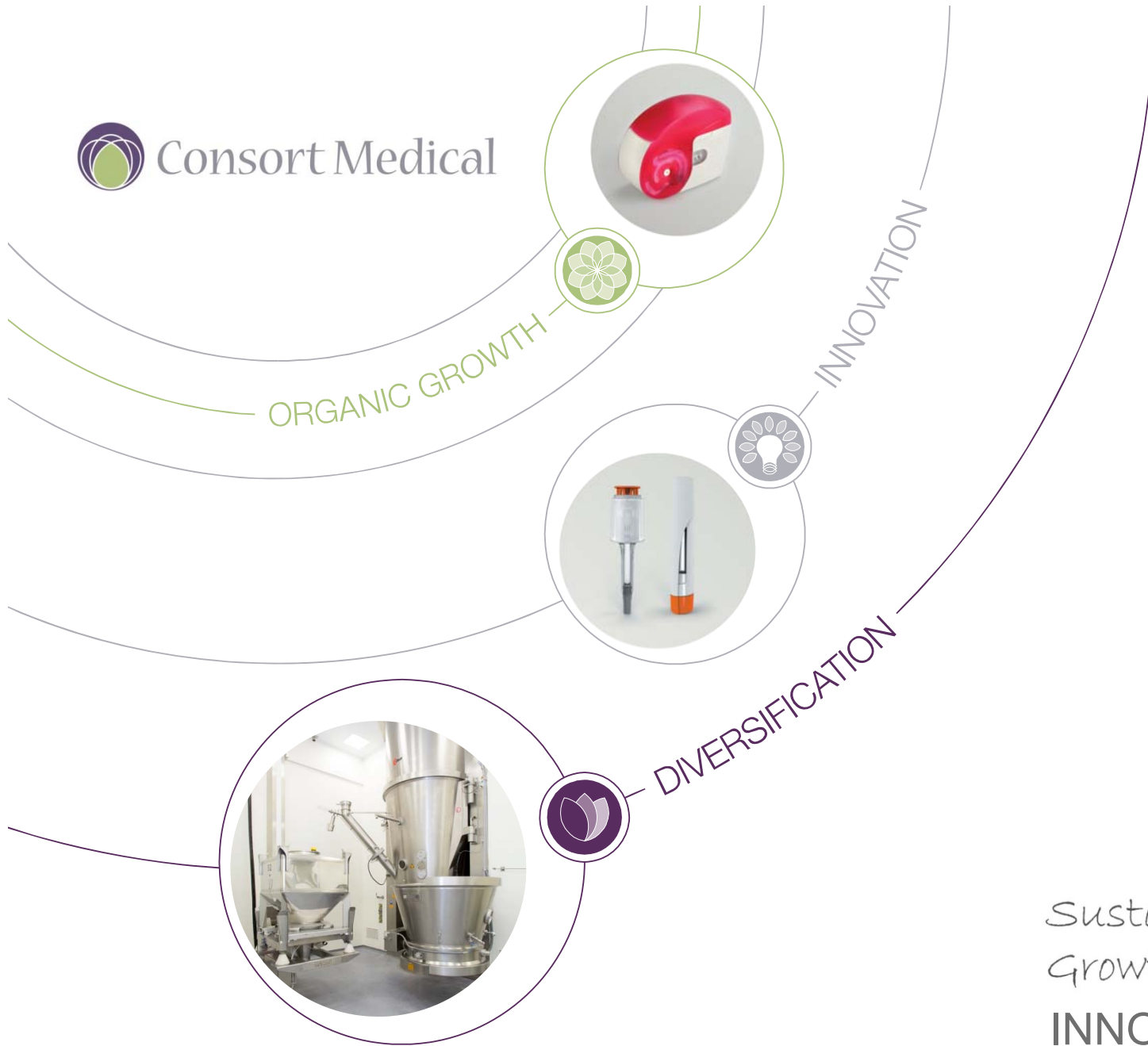


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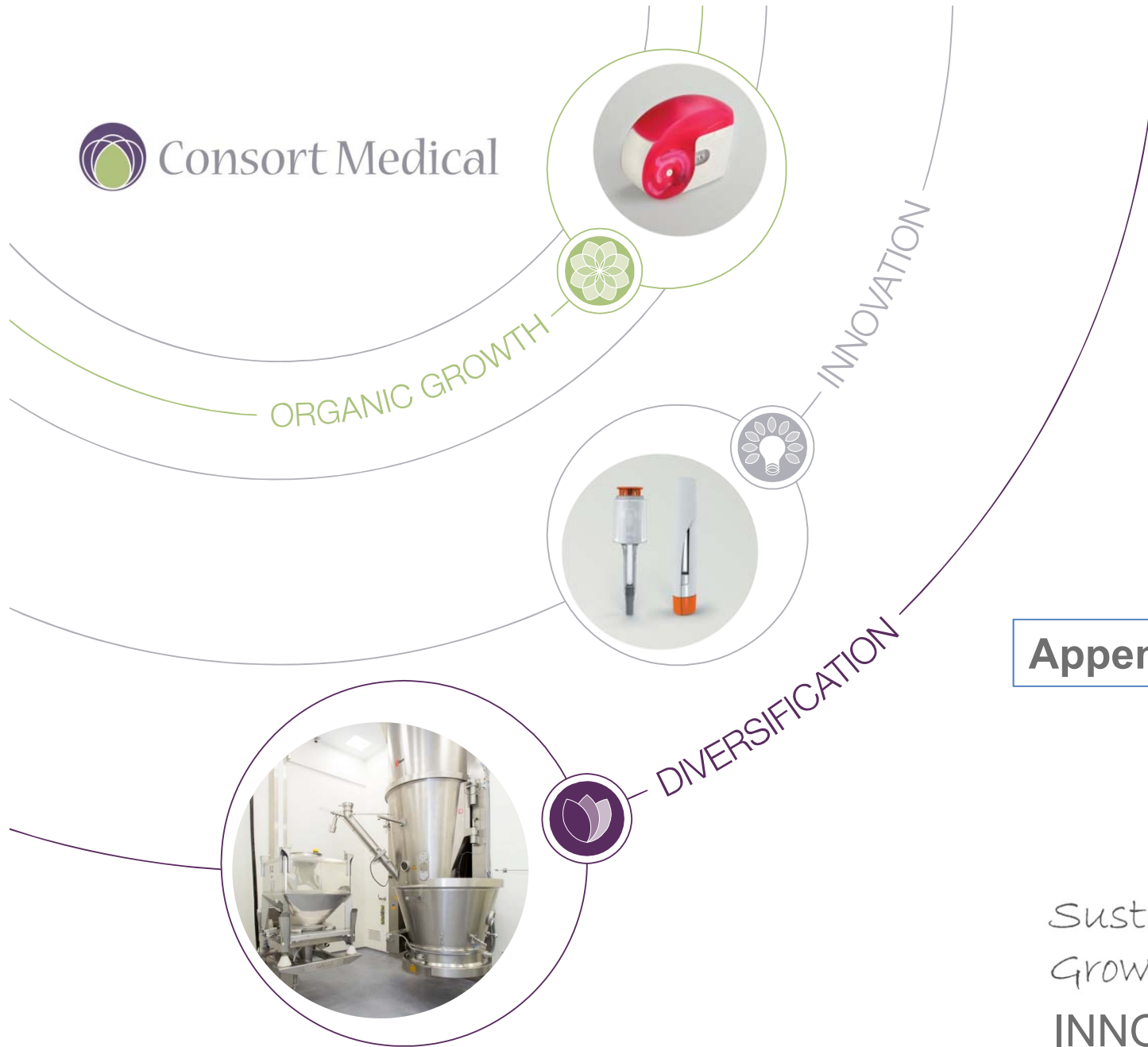
## Summary and Outlook

- Continued revenue and profit growth with resilient core markets - supported by strategic acquisitions / investments
- Advancing and growing development portfolio - 12 programmes at Bespak
- Award of MHRA Marketing Authorisation for Voke<sup>®</sup> brings launch closer
- Significant progress in commercial / development opportunities for Syrina<sup>®</sup> and Lila<sup>®</sup>
- Acquisition, and successful integration, of Aesica - significantly expands Group's capabilities, customer offering and opportunities for future growth
- Combined Aesica / Bespak offering to drive revenue synergy and cross selling opportunities over the medium term
- Board is confident of the Group meeting its expectations for the coming financial year

**A transformational year  
with continued organic growth**



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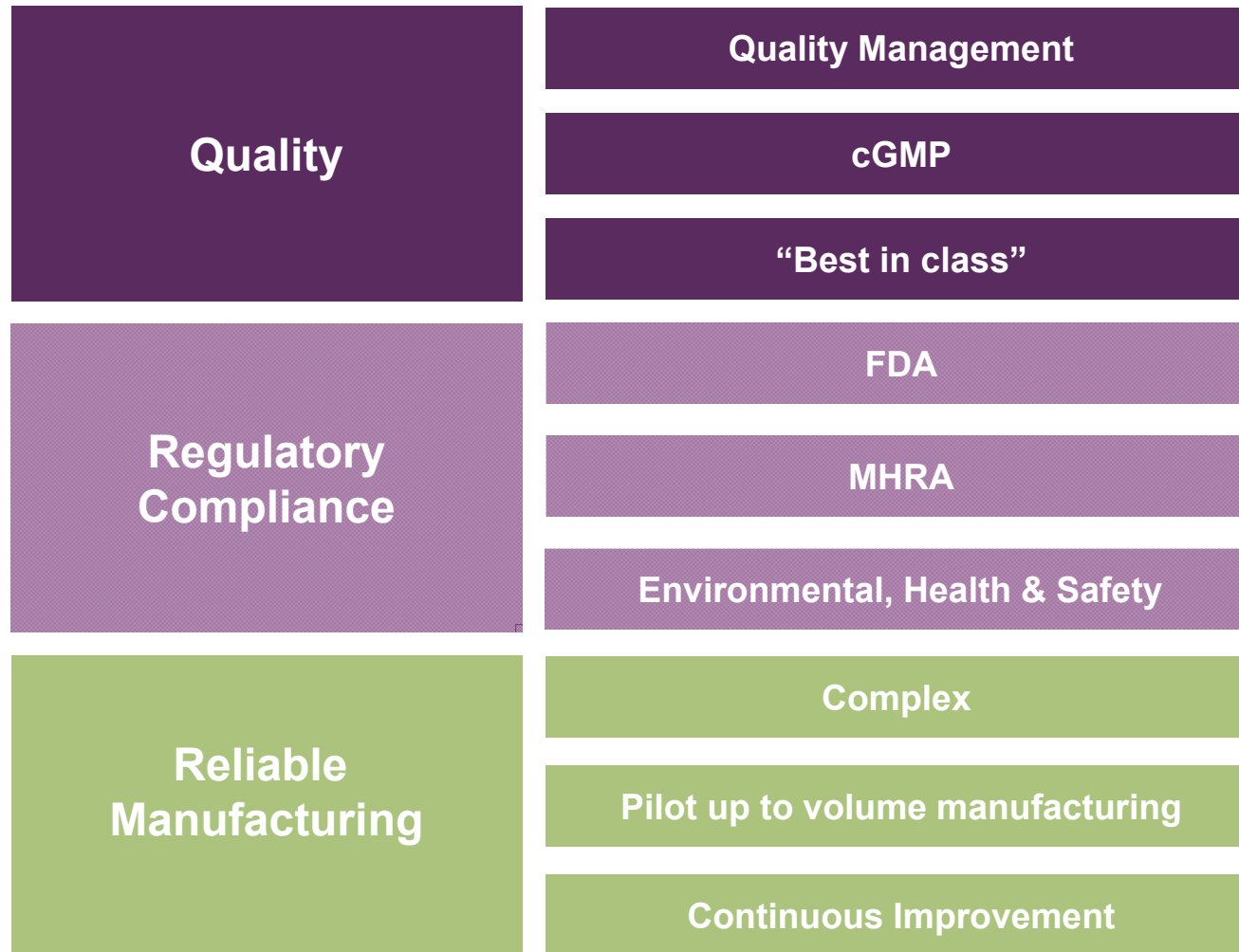
**Appendix**

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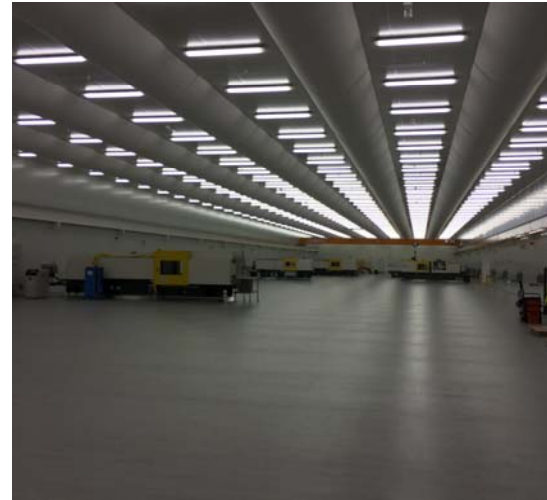
## Aesica Acquisition – Key Financial Terms

- £230m acquisition of Aesica Pharmaceuticals, a leading European pharma CDMO
- Financed through a Rights Issue, draw down under a new Debt Facility and issue of new Consort shares to Aesica management
- Rights Issue
  - £98.9m 5 for 8 Rights Issue at 540p per share
- Debt facility
  - Replacement £160m, 5 year, multi-currency revolving credit facility
  - £120m drawn down to fund Acquisition
  - Further £65m accordion facility

## Significant Alignment of Core Competencies



## DEV610 New Facilities (King's Lynn)





## Adjustment Effects of Rights Issue on EPS and DPS

	Weighted average shares	Adjusted basic		Adjusted diluted	
		EPS	DPS	EPS	DPS
<b>FY2015</b>	<b>40,652,174</b>	<b>47.8p</b>	<b>18.11p</b>	<b>46.9p</b>	<b>18.11p</b>
<b>Interim 2015</b>					
Pre-acquisition at 31 Oct 2014	28,783,998	28.3p	7.35p	27.7p	7.35p
Rights issue adjustment factor	1.14				
Post rights issue at 31 Oct 2014	32,908,187	24.8p	6.43p	24.3p	6.43p
<b>FY2014</b>					
Pre-acquisition at 30 Apr 2014	28,952,356	48.3p	20.70p	47.1p	20.70p
Rights issue adjustment factor	1.14				
Post rights issue at 31 Apr 2014	33,100,668	42.3p	18.11p	41.4p	18.11p

# Patent Box

## Background

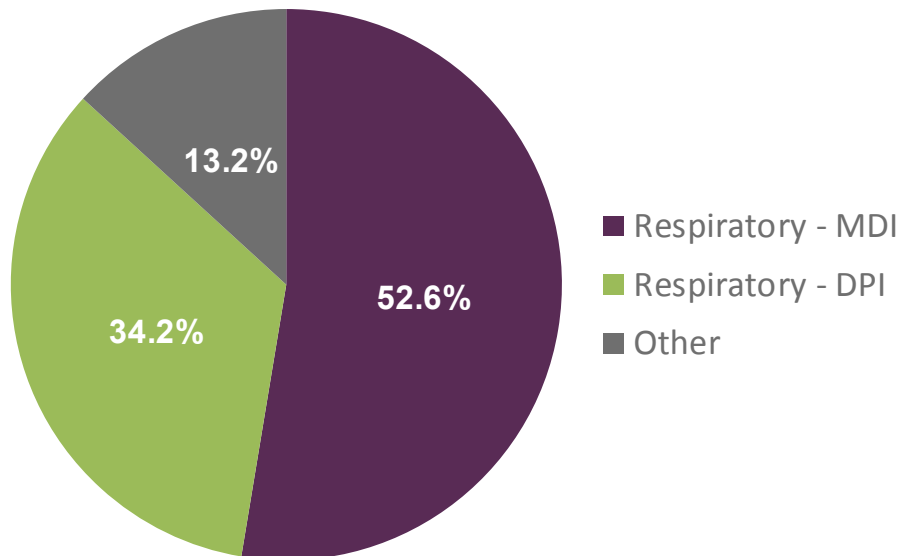
- Profits from revenue on products protected by patent
- Patent must be UK registered and exclusively licensed to entity
- Patent over IP generated in the UK – new agreement between UK / Germany
- Scheme phased in:
  - 2013/14           60% of benefit
  - 2014/15           70%
  - 2015/16           80%
  - 2016/17           90%
  - 2017/18           100%
- Active promotion by HMRC
- Government strategy to develop UK intellectual economy
- Regime targeted to benefit innovation and manufacturing employment in businesses like Bepak

## Key Criteria for Bepak

- Current mix of sales – valves in particular
- Patent lives – minimum 5 years visibility / extendable
- Future mix of sales – future additions to product portfolio from Innovation Centre
- Phase in of scheme – benefits will grow 10% pa for next 3 years from constant sales and mix, besides growth. 71% for current financial year.

## Bespak – FY2015 Revenue by Product Analysis

Product revenues - FY2015



Product revenues - FY2014

