News Release

14 June 2012

Consort Medical plc

Preliminary results for the year ended 30 April 2012 – Consort delivers record results and stronger growth portfolio

Consort Medical plc (LSE: CSRT) ("Consort" or the "Group"), a leading designer and manufacturer of drug delivery and device technologies, today announces its audited preliminary results for the year ended 30 April 2012.

	2012 (GBPm)	2011 (GBPm)	Growth
Revenue from products and services	136.6	126.8	8%
Operating profit (before special items)	21.5	20.5	5%
Operating profit (after special items)	20.4	15.8	29%
EBITDA	28.8	25.0	15%
Profit before tax and special items	19.4	17.4	12%
Profit before tax and after special items	17.8	12.7	40%
Adjusted basic earnings per share	52.2 pence	45.5 pence	15%
Basic earnings per share	49.5 pence	36.0 pence	38%

(Special items of £1.6m included £2.2m of continuing amortisation of intangible assets following the acquisition of King Systems in 2005 and The Medical House in 2009, and a net credit of £0.6m for restructuring and other special charges. These included restructuring costs largely related to the King Systems transformation of £1.0m, £0.4m of other restructuring costs and £0.4m of impaired financing arrangement fees relating to the 2010 refinancing offset by provision releases of £2.4m)

Other Financial Highlights

- Consort Medical delivered record revenues* and profits
- Bespak revenue* increased by 12% to £93.3m and operating profit** increased by 17% to £18.2m
- King Systems revenue grew by 2% at CER to £43.3m, with operating profit** down by 31% to £3.3m (at constant exchange rates). Excluding an increased charge of corporate overheads, like-for-like operating profits fell by 10% due to cost pressures and dual running of processes (see finance review for details)
- Final dividend maintained at 12.1p per share
- Balance sheet remains strong with net debt at 1.3x EBITDA

Operational Highlights

- 12% growth in Metered Dose Inhaler valve volumes
- A device containing Bespak's Integrated Dose Counter approved and launched on the US market
- Three development contracts added to the growth portfolio in Bespak, achieving the strategic goals of drug handling and of entry into a new drug delivery device market
- King Vision revenues have met expectations, with the product achieving particular success in the emergency medicine setting
- Further funding round in Atlas Genetics supported by global healthcare companies

Jon Glenn, Chief Executive Officer, commented:
"We are delighted that Consort Medical has delivered record revenues and profits in this uncertain global economic environment. During the year, we have launched two major new products, Bespak's Integrated Dose Counter and the King Vision laryngoscope, as well as expanding our growth pipeline with three new development contracts. Our core business continues to perform well and our new diversified range of opportunities positions us well for sustained future growth."

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Consort Medical plc is a leader in medical devices for inhaled drug delivery, self-injection and anaesthesia. The Group develops drug delivery systems for the pharmaceutical industry and disposable airway management products for critical care settings in hospitals.

Consort Medical's Bespak division develops and manufactures drug delivery devices and diagnostic disposable devices, including metered dose inhaler valves, actuators, compliance aids, dry powder devices, and autoinjectors. The King Systems division develops and manufactures disposable devices for anaesthetists and emergency medical practitioners, including video laryngoscopes, disposable facemasks, breathing circuits and laryngeal tubes. The Group has facilities in Kings Lynn, Cambridge, Nelson and Hemel Hempstead in the UK, and Indianapolis, Indiana and Kent, Ohio in the US. Consort Medical is a public company quoted on the full list of the London Stock Exchange (LSE: CSRT).

* All references to revenues are to revenues from products and services, unless otherwise stated. It excludes inter-segment revenues and revenues from sales of tooling to customers, which are passed on at cost as and when incurred.

** All references to operating profit are before special items unless otherwise stated.

*** All references to operating margin refer to operating profit before special items as a percentage of external revenues from products and services.

The above definitions are those used by the Group's management in the operation of the business

Consort Medical plc
Chairman and Chief Executive's Combined Review

Delivering growth

We are very pleased to report that, in the year ended 30 April 2012, Consort has delivered record revenues and profits.

Just before the year end, we were able to report FDA approval for and market launch of the first device to contain Bespak's Integrated Dose Counter (IDC). The IDC represents a major long term market opportunity for us, and passing the FDA approval process is an important milestone.

During the year we added three more projects to the Bespak product pipeline, two for nasal drug delivery, and one to design for manufacture a nicotine delivery device that can be used as a substitute for tobacco cigarettes. Two of these contracts will involve drug handling on our Kings Lynn manufacturing site, which takes us further up the value chain and will offer cost benefits to our customers.

We were also pleased to report in July 2011 that the Group was participating in a further funding round for Atlas Genetics Ltd ("Atlas"), a Point of Care (POC) diagnostics company, in which we took a 19% stake in February 2011. In this round, worth up to £17.5m to Atlas, we were joined by two global healthcare companies with significant diagnostic interests and two leading healthcare investors.

The King Vision digital video laryngoscope has been in the market for ten months. Market feedback has been consistently positive, and we have further iterations of the King Vision in development.

In summary, we have continued to grow our core platform businesses, with strong growth in Metered Dose Inhaler (MDI) valve volumes. The further diversification into additional markets such as nasal drug delivery, POC diagnostics and airway visualisation outlined above opens up new opportunities and de-risks the portfolio. We believe the business is well positioned to deliver sustainable earnings growth in the future. We continue to seek to enhance our organic growth through selected acquisitions, strategic investments or alliances.

Group Results

Revenues from products and services* grew by 8% to £136.6m (2011: £126.8m) and operating profits** grew by 5% to £21.5m (2011: £20.5m). EBITDA increased by 15% to £28.8m (2011: £25.0m). Profit before tax and special items grew by 12% to £19.4m (2011: £17.4m). Profit after tax but before special items rose by 14% to £14.9m and adjusted earnings per share increased by 15% to a record 52.2p. Including special items, profit after tax rose by 37% to £14.2m and earnings per share by 38% to 49.5p. Special items included the amortisation of acquired intangible assets and a net credit arising from minor restructuring charges offset by provision releases.

Group cash flow continued to be strong, and net debt remains tightly managed at 1.3 x EBITDA. In June 2012, the Group refinanced its borrowing facilities until November 2016 with very similar terms, giving us security of funding in uncertain markets and the option of further leverage to help us deliver our growth plans.

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The above definitions are those used by the Group's management in the operation of the business

Strategy

The Group's strategy is to grow organically through new product development, to diversify into adjacent market areas where we can leverage our core competencies and to adopt higher value business models. In Bespak, higher value business models would include taking a greater piece of the value chain through drug handling and pharmaceutical packaging, while in King Systems we are looking to develop products with a higher value and margin. We have made good progress in all these areas in both Bespak and King Systems over the past year and have laid a platform for growth in the medium term. We additionally seek to augment our organic growth plan with selective investments and acquisitions.

Business performance

Bespak Division

Bespak is a leading global drug delivery device manufacturer which produces over 500 million devices per year, mainly for the respiratory segment. The business strategy is to leverage its unique competencies of design for manufacture and high volume manufacturing in regulated markets into new market segments. It will broaden and diversify the number of growth opportunities and where possible expand up the value chain, for example through drug handling and filling.

The Bespak division enjoyed another strong performance in the year to 30 April 2012. Revenues increased by 12% to £93.3m and operating profits by 17% to £18.2m. Operating margins increased for the fourth successive year to 19.6% (2011: 18.7%). This was despite doubling our investment in our Innovations Centre in Cambridge, where we will be expanding again in the coming year.

The development portfolio has progressed well. One of the major programmes in our pipeline has launched on schedule. We have also added three new development programmes, significantly increasing the potential revenues for the division and achieving the strategic goals of drug handling for our customers and of entry into a new drug delivery device market (nasal). Some of the programmes in the pipeline that were scheduled for launch in 2012 are now expected to launch in 2013: a level of delay that is common in a highly regulated industry such as ours. However, as we do not expect any programmes to be cancelled and since we assume in our financial projections that there will be some slippage, we have not changed our revenue expectations for 2012/13 or beyond. We believe that the net present value of the Bespak development portfolio has increased materially over the past twelve months.

Bespak Respiratory

The core respiratory business continued to perform very well in the last year. Revenues increased by 12% to £91.9m. Valve volumes were the main driver of growth, increasing by 12% over the prior year. This was driven by particularly strong sales in the first half, when certain customers needed exceptionally high volumes. In July, we announced that Bespak had renewed its largest valve contract on an exclusive basis for the long term. We also announced in October that International Aluminium Components (IAC), Bespak's facility that manufactures aluminium ferrules for its valves, had signed a long term extension to its contract with a large pharmaceutical and personal care customer. Bespak also won its first business in China, which is a large potential market, with increasing demand driven by industrialisation and a move away from traditional medicines.

Good progress was also made with the next generation of new products that is expected to drive medium term growth. Significantly, we announced in April that Teva had received FDA approval to launch their QNASL™ drug for the treatment of rhinitis with a device that uses our Integrated Dose Counter, the first regulatory approval for our proprietary IDC. The FDA has provided guidance that new drugs delivered by an inhaler should have a dose counter and has recommended the retro-fitting of dose counters to existing products. The QNASL™ programme is an exciting opportunity in its own right, but the product approval should reassure other potential customers that our device will meet regulatory requirements. A number of customers are expected to trial our IDC in the coming year.

The Easifill primeless valve (VAL310) was filed for approval with the FDA by our lead customer for a systemic application on schedule in 2011. Our customer now expects a launch date of 2013 rather than late 2012 as previously indicated. The VAL020 valve has also completed customer trials successfully. Current indications from the customer are for a launch in 2013.

Bespak's device services business offers unique design for manufacture and manufacturing capabilities to customers who own their own device technologies. Revenues on marketed products in this segment include the GlaxoSmithKline (GSK) Diskus® device and the GSK dose counter, amongst others. The device services business performed well over the past year, with revenues up 6% on stronger volumes and service income. We were pleased to commission the second dose counter line for GSK and to be awarded a third dose counter manufacturing line which will be fully commissioned by the summer of 2012. We also continued to make good progress in industrialising two Dry Powder Inhalers (DPIs) for customers. The first of these (DEV750) is due to launch in 2012. We are already manufacturing pre-launch volumes and our customer expects approval and to launch on schedule in the fourth calendar quarter. The second DPI (DEV610) is now seeing a greater level of activity as the customer works hard to achieve approval in late 2015.

We were also pleased to win a development contract (DEV200) that combines our device services and valve technologies capabilities to good effect. In November 2011 we were awarded a development agreement to scale up for manufacture a novel device to safely deliver medicinal nicotine for those who wish to reduce or cease tobacco consumption. The device, which will be filed for approval with the appropriate regulatory authorities, contains a proprietary Bespak refill valve to release controlled doses of a nicotine-containing formulation from a reservoir into a substitute cigarette-like device. The technology has been developed by Kind Consumer Ltd. Clinical trial samples were shipped in early 2012.

Bespak Injectables

Bespak Injectables addresses the fast growing autoinjector drug delivery segment. This market is expected to grow rapidly due to the need to inject most biologic drugs, which make up a significant proportion of the pharmaceutical industry's current drug development pipeline.

Revenues rose by 25% in the year to 30 April 2012 to £1.4m. Revenues from the one marketed product, the Cool.click™2 needle-free injector for Merck Serono, continued to grow steadily, although it remains a niche product. There are two programmes in development, both of which have been filed for approval with the FDA. Until these or other new programmes are launched, the business will continue to have modest revenues and make a small operating loss. The INJ300 for Dr Reddy's Laboratories has been further delayed to early 2013, due to ongoing issues within the drug supply chain, although these are believed to have now been largely resolved. The INJ570 autoinjector for a major pharmaceutical customer is now expected to be approved for launch in 2013, again slightly behind the timeline previously indicated.

The Bespak division continues to market the ASI™ and OTS™ technologies to customers and is exploring a number of encouraging commercial leads. During the year we also announced the closure of the Sheffield development centre and the transfer of our Injectables activities to Kings Lynn. This is expected to deliver an enhanced development and production capability for Bespak Injectables through co-location with the greater resources of the Kings Lynn team.

Innovations and Atlas Genetics

The establishment of our Innovations Centre in Cambridge has been a key part of our diversification strategy. The team has been exploring a broad range of opportunities to expand Bespak into related market areas where it can add value with its unique skills.

In its first year of operation the Innovations team entered into an agreement to develop products for the POC diagnostics market with Atlas. Bespak has a development contract to design for manufacture and scale up the disposable cartridge used in the Atlas platform, and has secured long term manufacturing rights for commercial production. Shortly after Consort made its initial investment into Atlas, we were pleased to participate in a further funding round in which we were joined by Novartis Ventures and Johnson & Johnson, leading global healthcare companies with significant diagnostics interests, as well as two well-known life science investors. This latest round may invest up to £17.5m into Atlas phased over three years. Consort has invested £2.5m into Atlas which could rise to a total of up to £3.8m over the next two years. The potential opportunity and the routes to market for Atlas remain exciting, although we now anticipate a launch in early 2014 rather than the previously estimated 2013.

In July 2011 we reported that the Innovations team had won a contract to develop a nasal drug delivery device (NAS010) for a major pharmaceutical company, that is expected to launch in 2014. This was followed in October by the winning of a second nasal contract (NAS020) with a leading generics company that will use our proprietary Unidose™ technology. This programme is expected to

launch in 2015. We believe that we have the right combination of proprietary technology and skills to win further share in this space in the future.

King Systems Division

King Systems is a leading US developer and manufacturer of disposable medical devices used to establish and maintain patient airways. The business strategy is to grow through new product launches and international expansion. King Systems is entering the final year of a programme to increase margins through the automation and improvement of its core manufacturing processes.

King Systems delivered mixed results for the year in challenging markets with margin pressure from higher material prices not being passed on to customers. King did recover from a weak first half, however, to deliver modest revenue growth in an important year which saw first revenues from the King Vision digital video laryngoscope and continuing progress in the manufacturing transformation programme. Revenues for the year were broadly flat at £43.3m (2% growth at constant exchange rate), with a strong performance in visualisation and airway products. Operating profits fell by 32% (31% at constant exchange rate) to £3.3m, although £0.9m of this related to an increased charge for corporate costs. Excluding the change in corporate costs, like-for-like operating profit fell by 10% at constant exchange rates, reflecting higher raw material prices and duplicated manufacturing costs as new processes were commissioned. Operating margins were slightly down at 8%.

Encouraging revenues from the King Vision

In October 2010, King Systems launched the King Vision video laryngoscope at the conference of the Anaesthesiology Society of America (ASA), the main US conference for anaesthetists and in June 2011 shipped the first commercial product. The King Vision is King's most sophisticated product and is expected to be a key driver of organic growth. The King Vision allows anaesthetists and other clinicians to see precisely where they are placing an endotracheal tube when establishing a patient airway. It consists of a reusable handle containing an OLED screen and a disposable blade containing a camera which allows the clinician to easily position the tube in the trachea. It has market leading optics, but is being offered at a cost that will allow its use in routine intubations as well as for the management of difficult airways. The King Vision is therefore expected to address one of the major unmet needs of the airway market. The King Vision is also expected to open up new channel opportunities for King Systems outside the operating room in areas where clinicians have an interest in safe and quick establishment of airways, such as Emergency Medical Services (EMS) and respiratory.

Revenues over the ten months since launch have been in line with expectations and feedback from clinicians and the sales force has been consistently positive. Sales into the hospital care setting have progressed well, and we were particularly encouraged by revenues in the EMS segment where the cost of deploying more expensive system platforms across EMS settings, such as ambulance fleets, has historically been prohibitive. International revenues for the King Vision also grew rapidly as regulatory approvals in overseas territories were progressively received. We now have regulatory approval in 65 countries and sales in 39 countries. We are also delighted to have won the a Gold Award at the Medical Design Excellence Awards, a highly coveted endorsement of important new technologies in the US.

Looking ahead, we continue to expect the rate of adoption in the hospital care setting to be cautious, as anaesthesia is a conservative market. In order to maximise our opportunity in the EMS segment and to add dedicated sales and marketing resource, we have entered into a distribution agreement with Bound Tree Medical, a leading distributor in the EMS space.

Our R&D team has developed an exciting technology road map for the King Vision to continually broaden and deepen the product range. Further developments of the product are forecast to launch in early 2013 which are expected to significantly increase the available market.

Transforming Manufacturing

King Systems continues to make progress with its transformation plan. We have been very pleased by the performance of the new Flex 2 automation line that was validated for manufacture on schedule at the end of April 2011. Operational performance of the new automated line has exceeded our plans and in January it manufactured its one millionth circuit.

The breathing bag dip lines are being installed now and will be commissioned and fully operational by calendar year end. A successful inventory build of breathing bags at the H&M plant has been completed and manufacturing of breathing bags at H&M will cease at the end of July.

The automated mask line is expected to be installed at Noblesville by the end of the calendar year. In order to maintain sufficient inventory levels to de-risk this programme, we now plan to cease mask component manufacture at H&M Rubber around the end of the calendar year. Accordingly the cost savings associated with the final site closure will not be realised in full until FY 2013/14, although working capital will reduce rapidly in the final quarter as the transition inventory that was built at H&M is consumed.

Growing overseas markets

While King Systems is a market leader in the US, with its own sales force covering all major territories, the business has historically had a lower overseas presence. Expansion of international sales offers a major opportunity to increase our growth rates. The strategy to achieve this has included increasing the number of international distributors, improving the business processes to support them, and development of new products that will be appropriate for international markets of which the King Vision is expected to be a flagship product. In the year to 30 April 2012, King Systems grew international revenues by 9% to $9m – reflecting 13% of total sales, up from 10% in 2008/09.

Financial review

Revenue from products and services in 2011/12 rose by 8% to £136.6m (2011: £126.8m), with the greatest growth coming from Bespak. Bespak revenues rose by 12% to £93.3m, driven in particular by strong valve sales. Revenue in King Systems was flat at £43.3m (which represented 2% growth at constant exchange rate (CER)).

Operating profit (before special items) rose 5% to £21.5m. Bespak contributed an operating profit before special items of £18.2m, up 17% on prior year. The operating margin for Bespak of 19.6% (2011: 18.7%) was up for a fourth year in a row (2008 operating margin: 16.0%). King Systems contributed an operating profit before special items of £3.3m, with an operating margin of 8% (2011: 11%). Corporate costs increased in 2011/12 compared to prior year, largely as a result of our reversing in the prior year accrued non-cash LTIP provisions that were not going to vest. At the same time, we conducted an arm's length transfer pricing review that resulted in an increased allocation to King Systems. The aggregate effect has been to leave the charge to Bespak materially unchanged but to increase the charge to King by £0.9m. Underlying operating profit at King Systems before these allocations fell by 10%, mainly as a result of higher material costs and duplicated manufacturing costs from the automation programme.

Profit before tax and special items rose by 12% to £19.4m (2011: £17.4m), and was at the top end of expectations. Profit before tax of £17.8m was 40% up on the prior year (2011: £12.7m).

Profit after tax increased by 37% to £14.2m. Basic earnings per share increased by 38% to 49.5p, while adjusted basic earnings per share increased by 15% to 52.2p.

The taxation charge for the year was £3.7m. The underlying tax charge of £4.4m reflects a rate of 22.9% (2011: 24.5%), a little lower than anticipated due to a higher balance of UK rather than US earnings. During the year we obtained a cash credit of over $1m following a tax project in the US that will slightly reduce our ongoing tax rate. Revised transfer pricing agreements and R&D tax credit claims in the UK, along with a falling UK tax rate, contributed to the reduced overall tax charge.

The Board is recommending a final dividend per share of 12.1p (2011: 12.1p) such that the total dividend for the period amounts to 19.1p (2011: 19.1p). The final dividend will be paid on 26 October 2012 to shareholders on the register on 21 September 2012. Dividend cover, based on earnings before special items, was 2.7 times (2011: 2.4 times).

Special items of £1.6m included £2.2m of continuing amortisation of intangible assets following the acquisition of King Systems in 2005 and The Medical House in 2009, and a net credit of £0.6m for restructuring and other special charges. These included restructuring costs largely related to the King Systems transformation of £1.0m, £0.4m of other restructuring costs and £0.4m of impaired financing arrangement fees relating to the 2010 refinancing offset by provision releases of £2.4m previously reported in our interim accounts. We again do not anticipate any net restructuring costs in the coming year.

The Group maintained a strong balance sheet, with £14.7m of cash and net debt of £37.7m, equivalent to 1.3 times EBITDA. Gross assets were £182.8m (2011: £166.9m). The pension deficit fell to £3.4m (2011: £6.4m) and is reviewed separately below. Provisions fell from £7.5m at the beginning of the year to £3.7m at 30 April 2012.

The Group's Divisions are strongly cash-generative. EBITDA rose to £28.8m (2011: £25.0m) and cash generated from operations was £24.6m (2011: £21.3m). Capital expenditure of £11.5m was higher than the previous year (2011: £8.3m). The majority of capital expenditure was at King Systems to support the automation programme and in Bespak to install capacity to manufacture dose counters. Loan repayments totalled £4.0m (2011: £8.8m) and pension deficit payments were £1.9m (2011: £2.9m). A substantial portion of the Group's borrowings are currently held in US dollars and qualify as an investment hedge against movements in the King Systems assets which they were used to acquire – hence all gains and losses are taken to exchange reserves within equity. Net debt rose slightly to £37.7m (2011: £33.8m), a rise of £3.1m at constant currency. US dollar interest costs are met by US dollar income from King Systems and Bespak.

In April 2010, the Group refinanced its principal facilities with the Royal Bank of Scotland (RBS) and HSBC, which facilities were still in place as at 30 April 2012. These were split into two revolving credit facilities (RCFs) and a term loan. The first RCF was for $56m, against which we had drawn $56m as at 30 April 2012. At 30 April 2012, we had also drawn down £11.8m against the second RCF and we had £6m outstanding in a GBP term loan. Margins were between two and three percent over LIBOR depending upon the ratio of net debt to EBITDA prevailing at the time. A non-utilisation fee of half the margin has been applicable to unused headroom and arrangement fees of around 1.7% (including advisors fees) were being amortised until April 2013. The interest rate on most of the USD borrowings and the amounts borrowed under the GBP term loan has been fixed until January 2014 using swaps that fix the interest rate between 1.48% and 1.78% plus bank margin. As at 30 April 2012, 67% of our borrowings were at fixed rates.

Subsequent to year end, in June 2012, the Group refinanced its principal facilities with the Royal Bank of Scotland (RBS) and HSBC in order to secure financing for the next four years, given the current uncertain economic climate. These new facilities will expire in November 2016. In order to eliminate the risk of volatile currency movements affecting our headroom, we have continued to split our main facilities into two RCFs but with no term loan. The first RCF is for $56m, while the second RCF is for up to £40m, a total facility of around £75m. Margins have remained unchanged between the old facilities and the new, with a cost of between two and three percent over LIBOR depending upon the ratio of net debt to EBITDA prevailing at the time. The non-utilisation fee on unused headroom has reduced to 40% of the margin and arrangement fees of around 1.5% (including advisors fees) are to be amortised to October 2015. Unamortised arrangement fees totalling £0.4m from the 2010 financing have been expensed as special items in the year ended 30 April 2012. Under the terms of the refinancing, the Group also now has a £25m "accordion" facility, by which additional funds may be made available by RBS and HSBC under the current terms to support significant investment or acquisition opportunities which may arise.

With net debt at 1.3 times EBITDA, the Group remains comfortably within both its headroom and its covenants. Taking into account the cash balances available, the total headroom at the year end was £28.8m (2011: £35m). The decrease in headroom was largely as a result of the repayment of the loans as described above and headroom has been increased following the refinancing in June.

The Group monitors its foreign currency exposures carefully and seeks to mitigate all material transactional exposures. The Group currently has low exposure to movements in the Euro and only a modest exposure to US dollar movements. Where necessary we buy or sell forward currency to protect current period transactions. The Group has a translational exposure to the US dollar with its King Systems Division which is to some extent mitigated by maintaining borrowings in US dollars.

The Group does have significant sales into the Euro zone. We are vigilant as to the growing risks in Europe, but it is an important feature of our market that our customers are generally very profitable and stable entities for whom our products are a small part of the total cost of sales. The majority of them purchase product from us in Sterling and due to the regulatory environment they are generally unable to change their supply chains in the short or even medium term. We continue to monitor the situation closely.

Bespak operates a defined benefit pension scheme in the UK that is closed to new employees, who are eligible to join a defined contribution pension scheme. As at 30 April 2012, the deficit was £3.4m compared with £6.4m as at 30 April 2011. The movement was primarily as a result of gross liabilities increasing slightly to £71.5m due to declining discount rates, offset by a recovery in asset values and a cash contribution by the Group of £1.9m. The Group completed its triennial revaluation of the pension scheme as at 30 April 2011, at which point the pension scheme was in a small actuarial

surplus. Following discussions with the Trustees, we were therefore pleased to be able to cease making cash contributions to the scheme from December 2011.

Risk management remains a core focus and competence of the group. A full report on our risk management systems and the mitigation of our key risks will be included in the Annual Report.

Outlook

Both Bespak and King Systems Divisions have started the year well. We are confident that we will deliver revenue and profit growth in 2012/13 in line with expectations, despite minor delays to some of the Bespak programmes. We believe that the medium term outlook remains strong.