ZOTEFOAMS plc

LSE Growing Companies Investor Day
18/6/09

David Stirling – Managing Director
Clifford Hurst – Finance Director

Who we are

Zotefoams is the world's leading manufacturer of cross-linked block foams

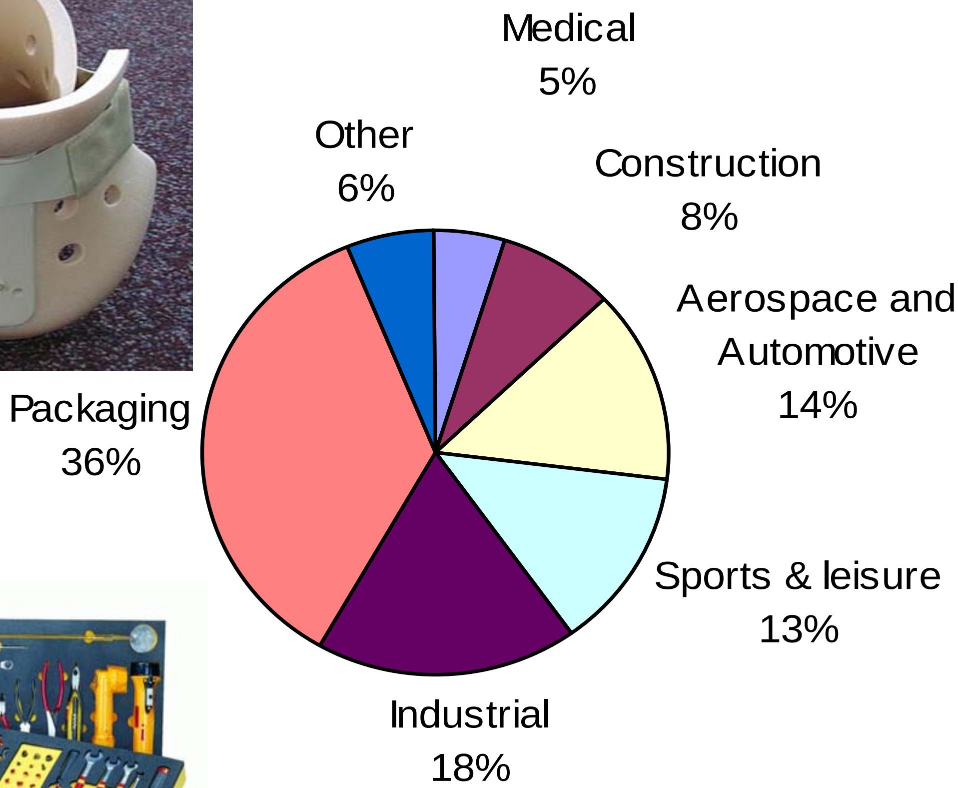
We produce these using a unique process

Our process allows us:

- produce more consistent polyolefin foams than our competitors

- produce foams from materials which other people can't foam (HPP)

Polyolefins



Polyolefins

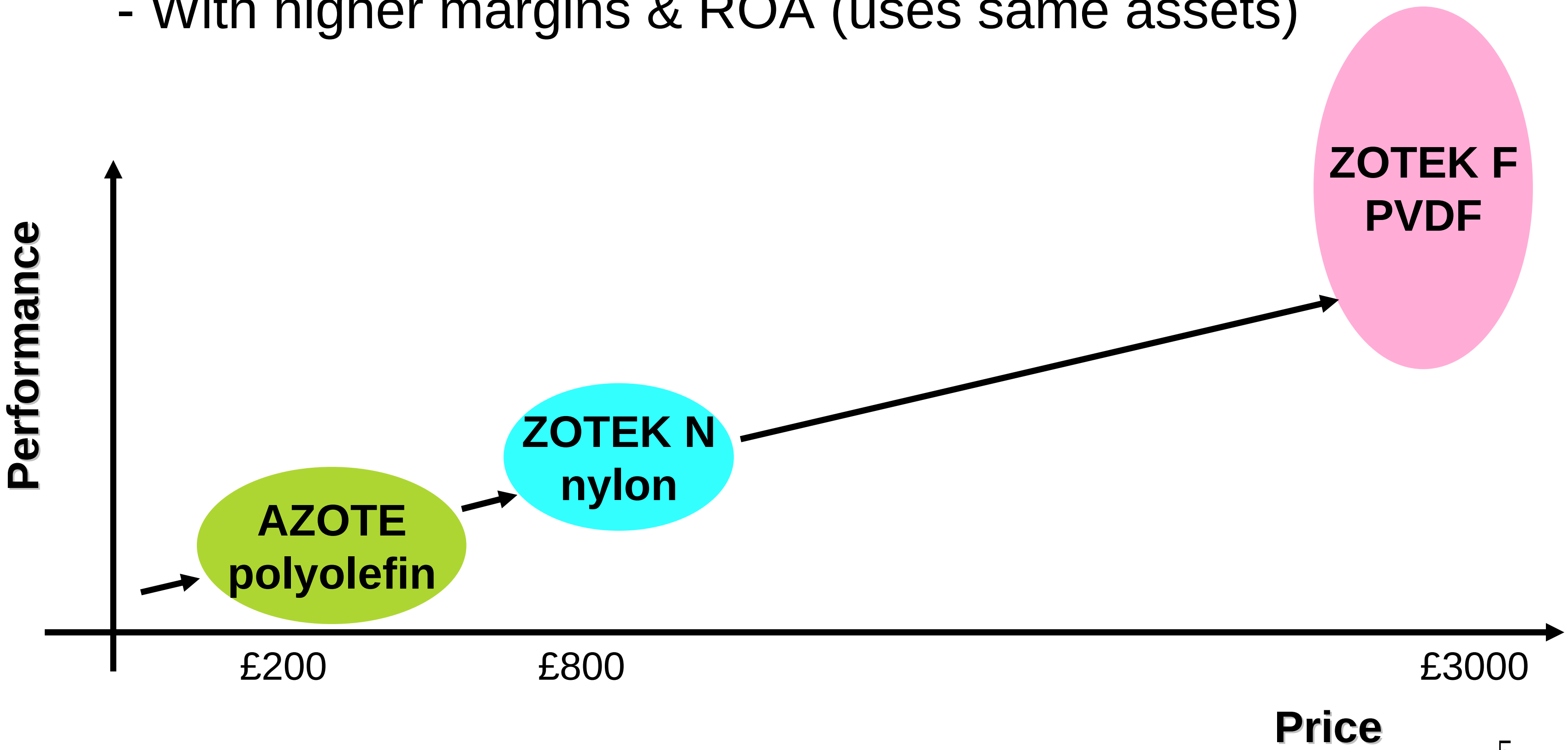
ZOTEFOAMS

- Series of fragmented speciality markets
  - No significant concentration in any specific sub-segment
  - Geographically spread
- Limited visibility with short lead times
- Differentiate on:
  - Product attributes
  - Customer service
  - Product availability

HPP

ZOTEFOAMS

- 2008 Sales £800k (2004: £3k)
- Gives growth from unique products into high specification industries
- With higher margins & ROA (uses same assets)



HPP

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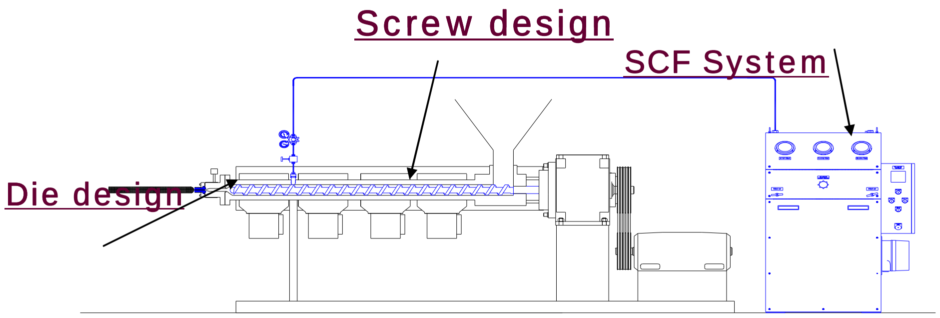
- ZOTEK® F PVDF
  - –Aviation
    - Wide-body & Regional
    - OEM & Aftermarket
  - –Advanced Insulation (incl. T-Tubes®)

- ZOTEK® N Nylon
  - –Automotive
  - –Industrial

MuCell

ZOTEFOAMS

- Unique patented foam technology
  - Complementary to Zotefoams process
- Spun out of MIT
- Zotefoams bought 30% stake ($3m: 2008)
- Option to acquire 100% from July 2010



Financial variables

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- High capital base
  - High asset value
  - Operationally geared
  - Low financial gearing
- Key economic variables
  - Currency
  - Polymer
  - Energy

Financial performance

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	Broker's forecast 2009 £m	Actual 2008 £m	Actual 2007 £m	Actual 2006 £m	Actual 2005 £m	Actual 2004 £m
Sales	31.4	34.8	31.6	30.1	28.0	25.2
Sales growth	-10%	10%	5%	7%	11%	7%
PBT (excl exceptionals)	2.4	3.9	3.4	2.7	1.8	1.3
PBT (incl exceptionals)	2.4	3.9	3.4	1.6	3.3	1.3
Cash generated from operations		5.8	4.8	4.7	4.1	5.3
Capex		1.4	2.7	2.6	1.1	1.3
Net debt	3.0	1.2	1.7	1.4	1.1	1.7
Gearing	12%	4%	6%	6%	4%	7%
Basic eps (excl exceptionals)	4.6p	8.3p	8.0p	5.4p	3.5p	3.2p
Dividends	4.5p	4.5p	4.5p	4.5p	4.5p	4.5p

Conclusion

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- Sound base
  - Good market positions
  - High asset base
  - Low gearing
  - Good cash flow
  - Strong non-executive Board
- Growth opportunities
  - Polyolefins in all geographies
  - HPP
- Investment in
  - Organic growth
  - Partnership / Acquisition

Appendix

Process

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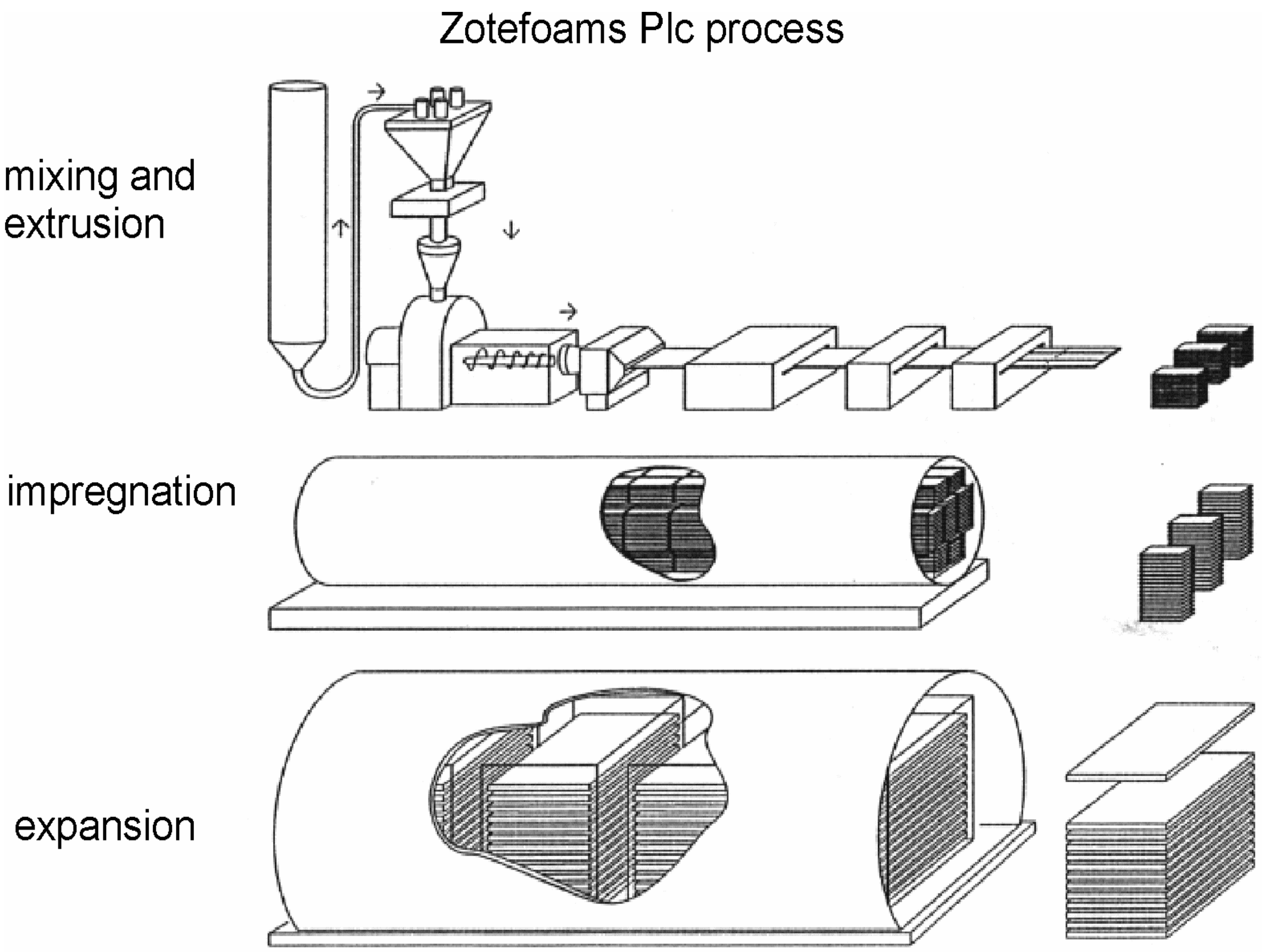

Polyolefin sales

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	UK/Eire £000	Europe £000	N. America £000	ROW £000	Total £000
2008	8,342	17,210	7,131	1,298	33,981
2007	8,163	15,208	6,472	1,030	30,873
Change					
- reporting currency	2%	13%	10%	26%	10%
- constant currency	2%	-3%	1%	17%	0%

High-performance polymers

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	2008 £m	2007 £m	Variance %
Revenue	0.80	0.73	9%
Costs	(1.34)	(1.27)	5%
Operating loss	(0.54)	(0.54)	1%