



Investor Briefing First Half FY 2011

February 2011

This presentation contains strategic targets which, for the avoidance of doubt
are not intended to be forecasts.



Highlights

- Revenue up 7.4%
- Net debt £2.5m (first half 2010: £2.2m) down from £4.3m at last year-end
- Interim dividend 2.2p per share (2010:2.2p)
- EPS 4.6p v's 4.7p last year
- Continue to manage overheads tightly

Further recent strengthening of the Board

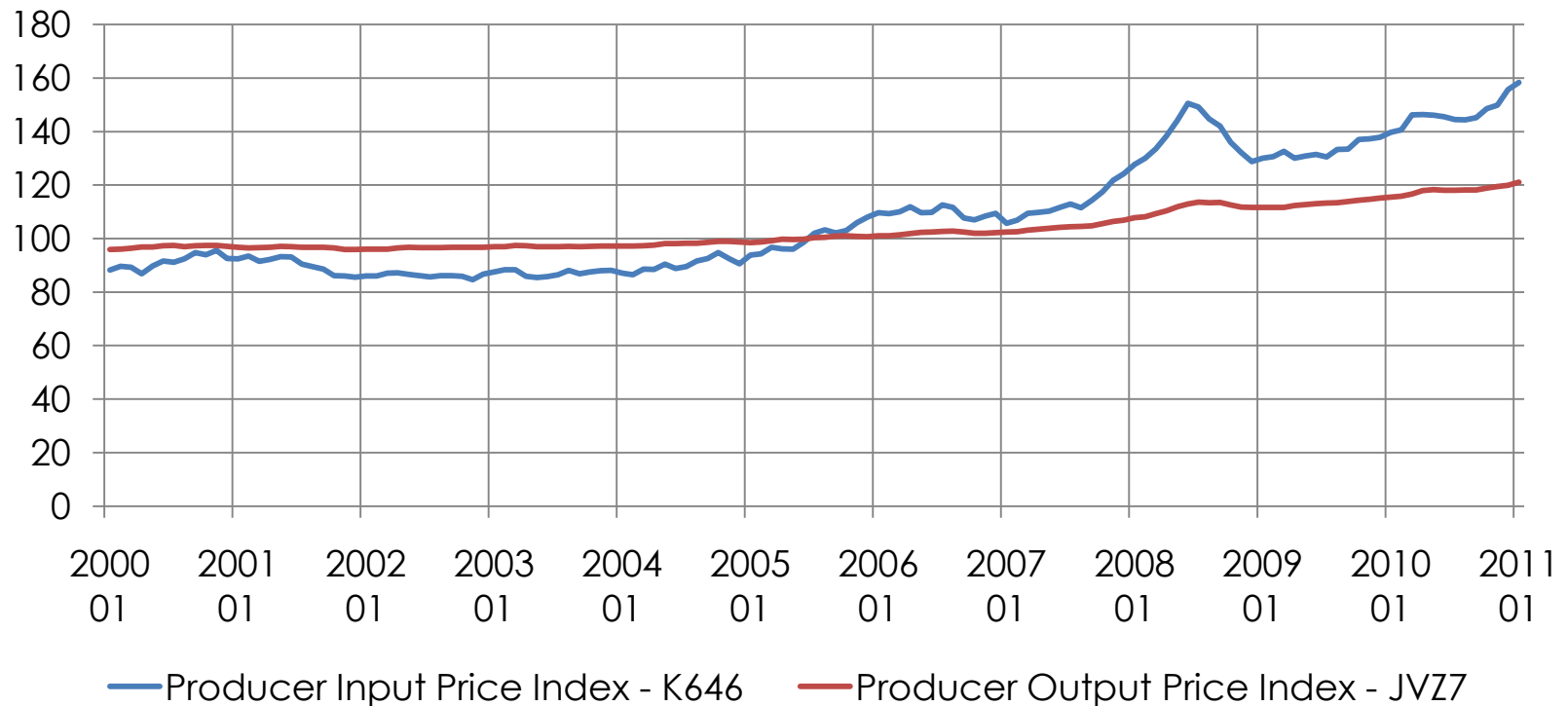


Martin Hagen
Non-Executive
From 19 Jan 2011



Richard Organ
Non-Executive
From 19 Jan 2011

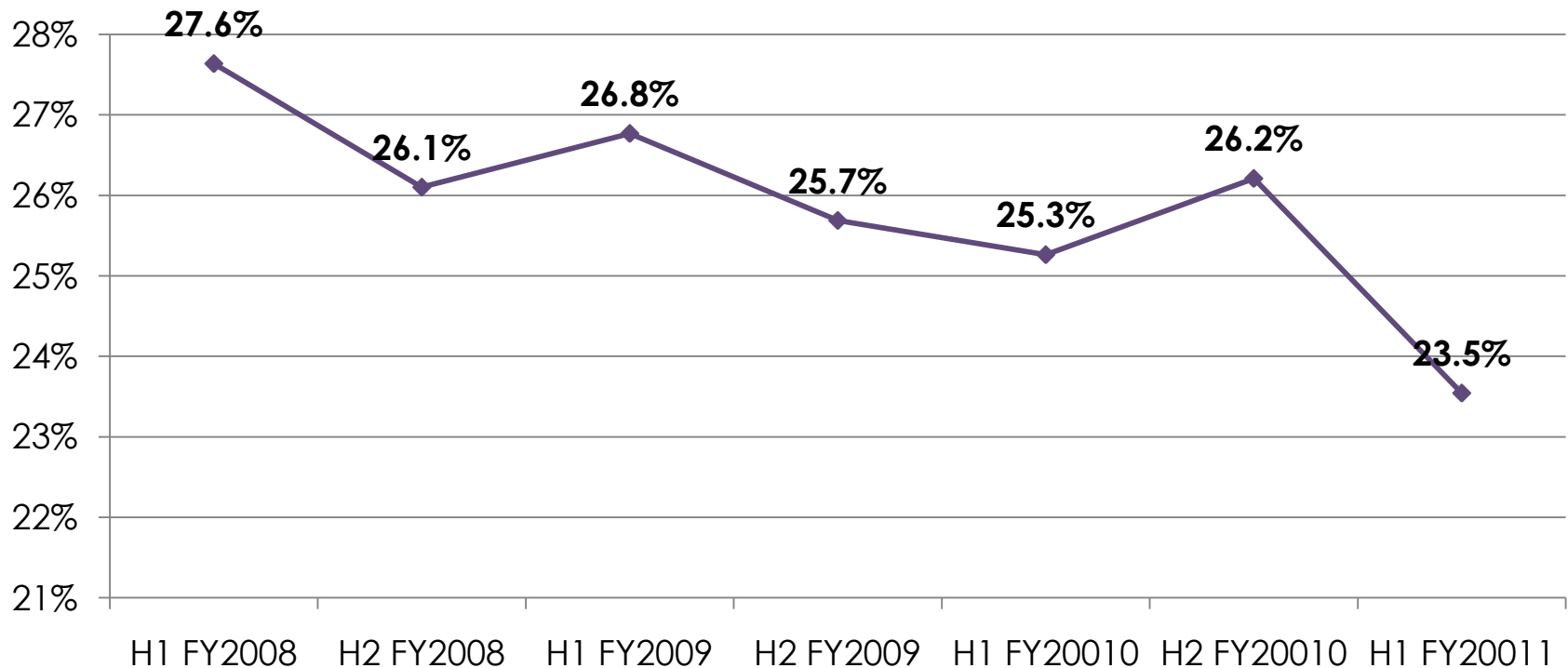
Rapid increases in UK input costs have been difficult to pass on...



- Impact: margins excluding overheads down 1.8%

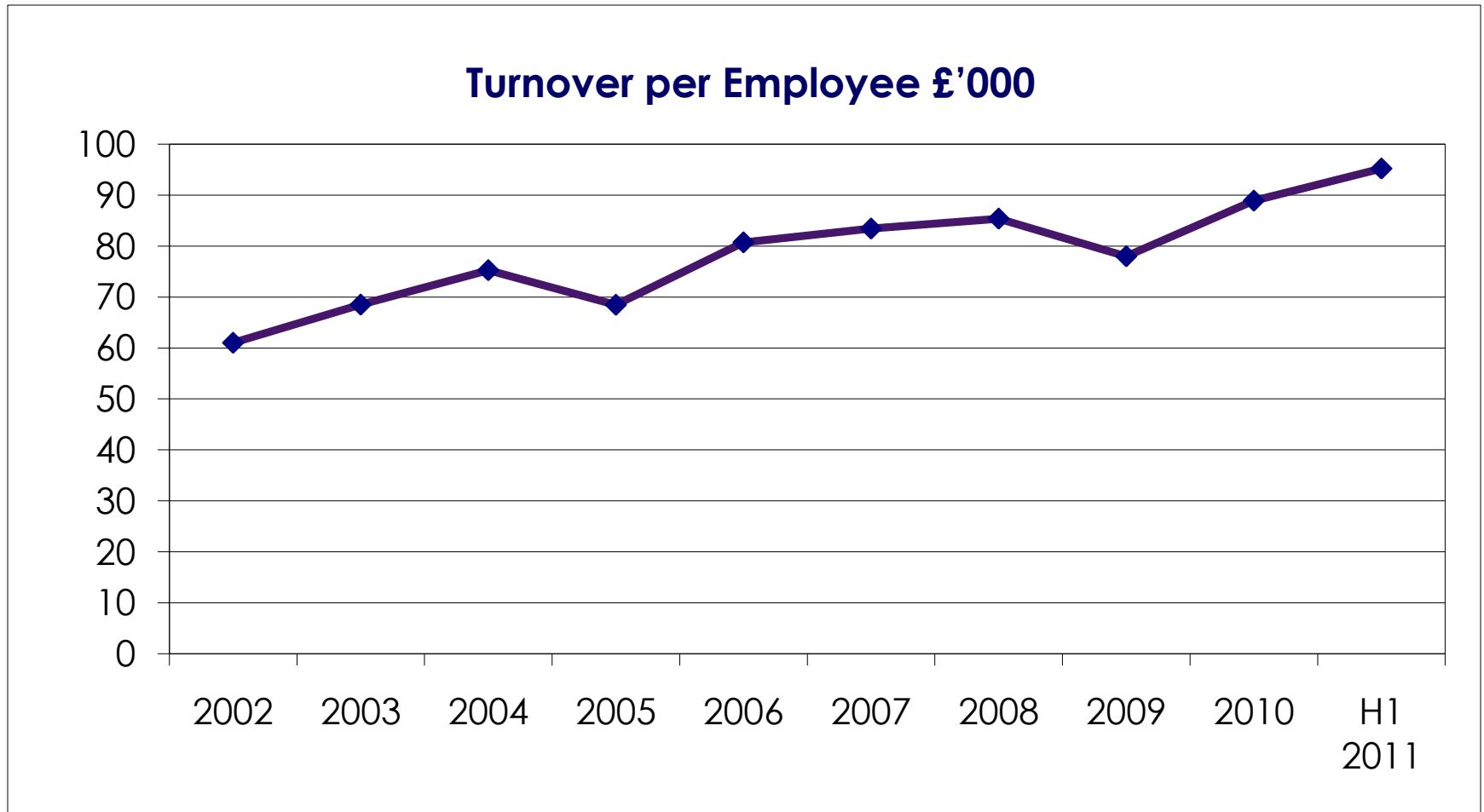
Source: ONS – UK data

... but Continued improvements in cost base help offset ...



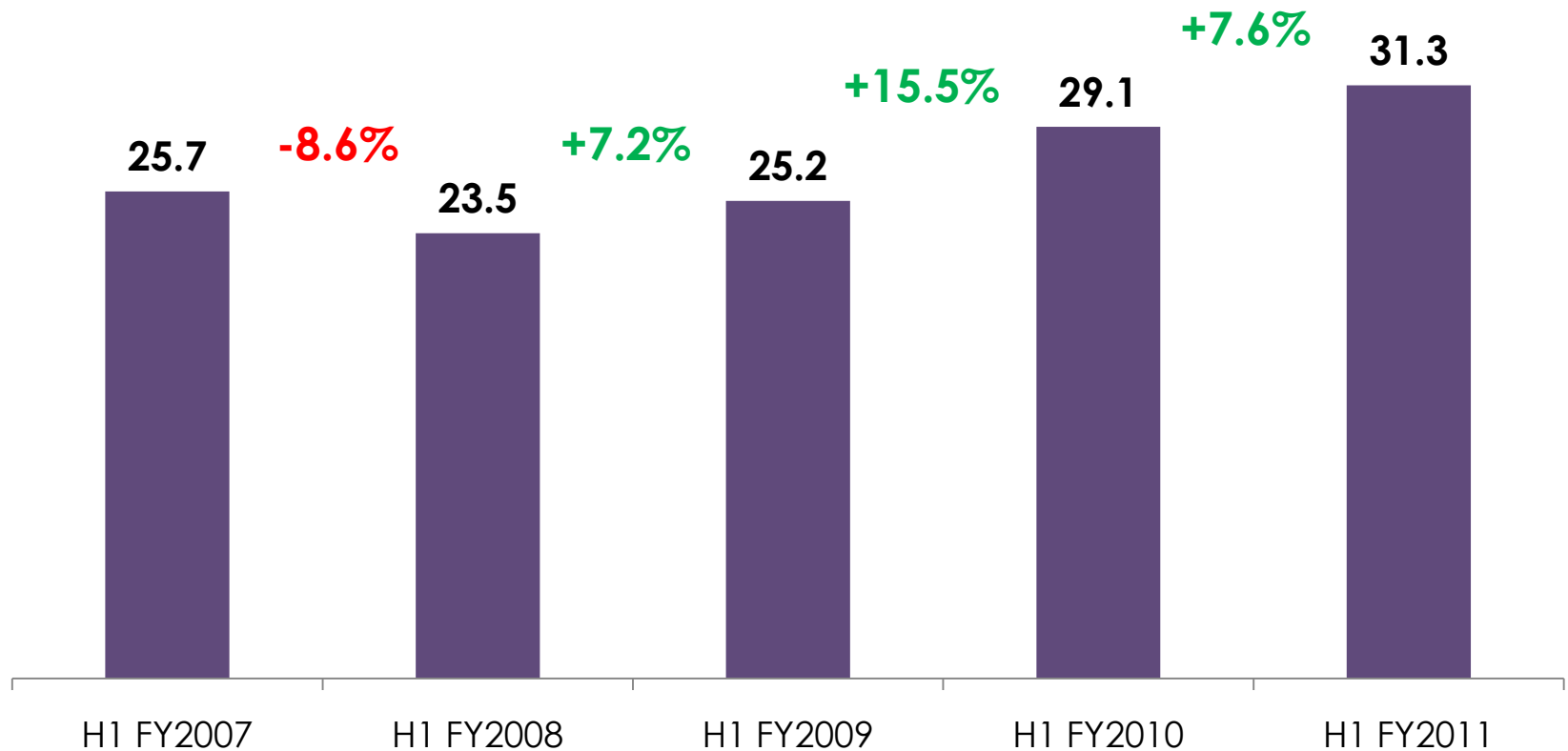
Total Overheads as % of Revenue

... and productivity is increasing.

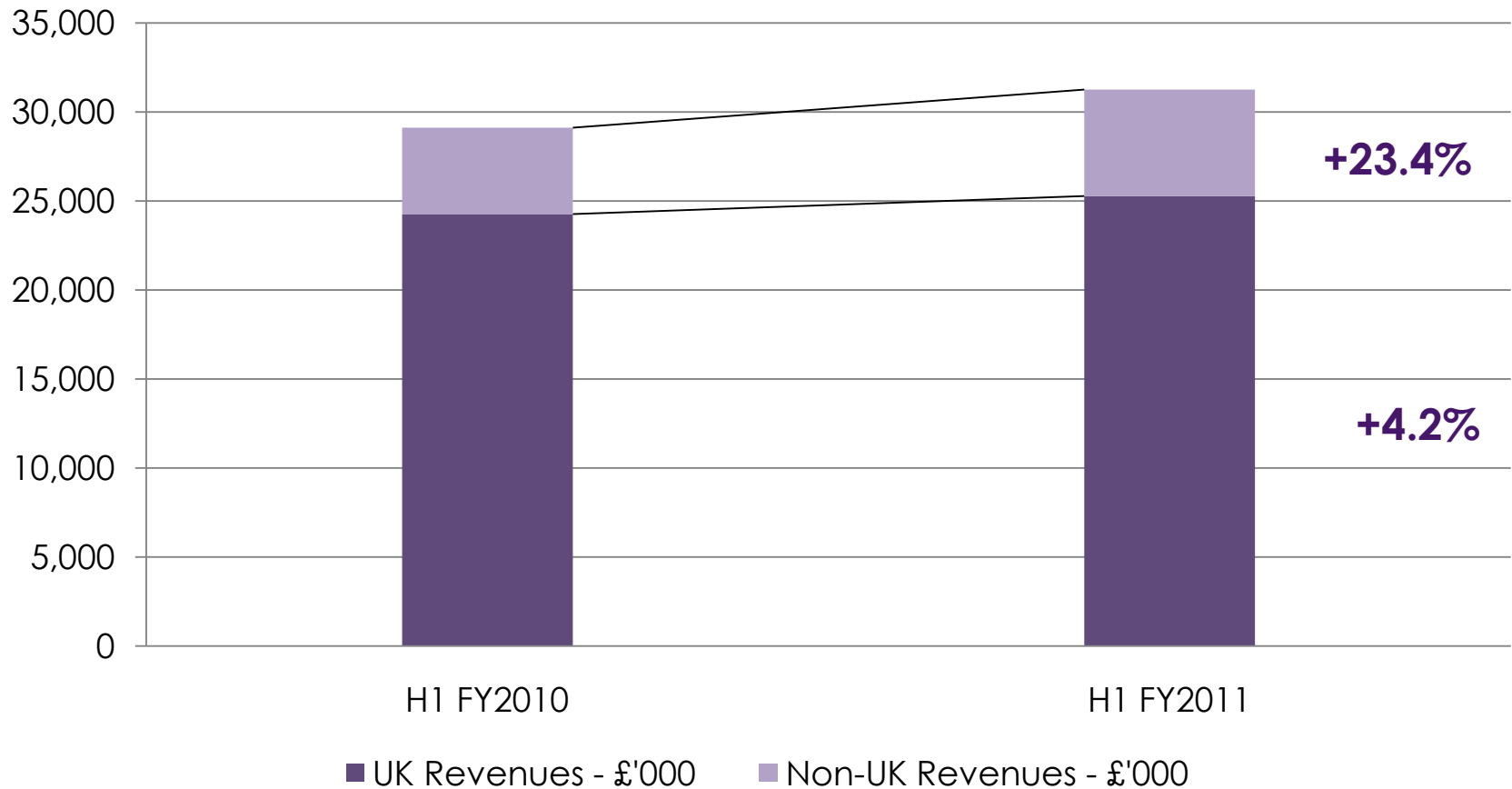


Revenue growth also counteracts the challenging background ...

Revenue - £'m



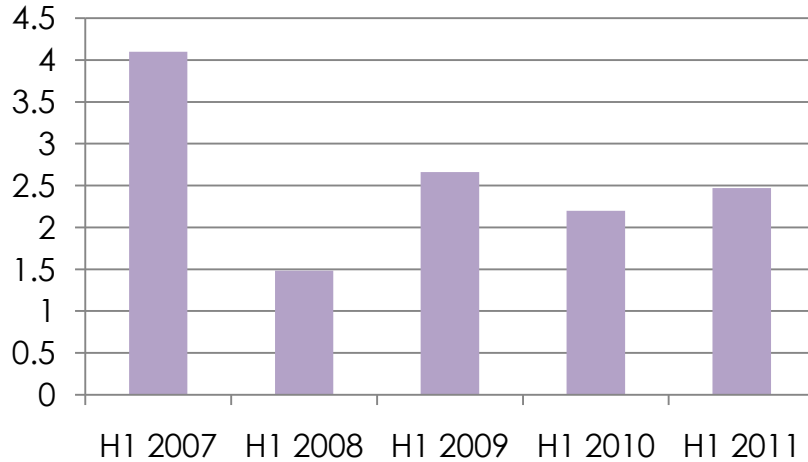
...and strategy to develop overseas revenues is beginning to pay off.



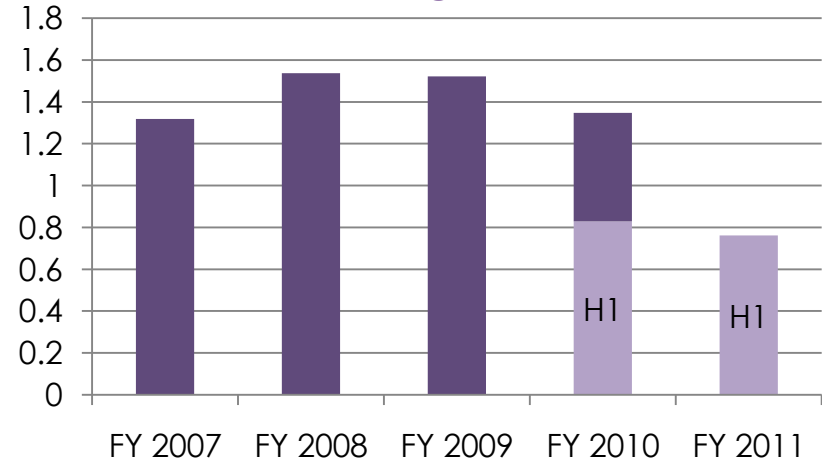
Note: UK Revenues include indirect exports i.e. sales to UK customers who then export

Financial summary

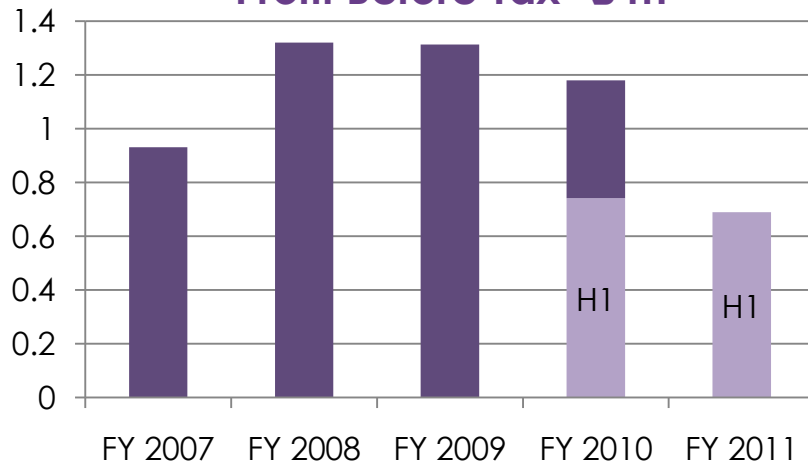
Net Debt £'m



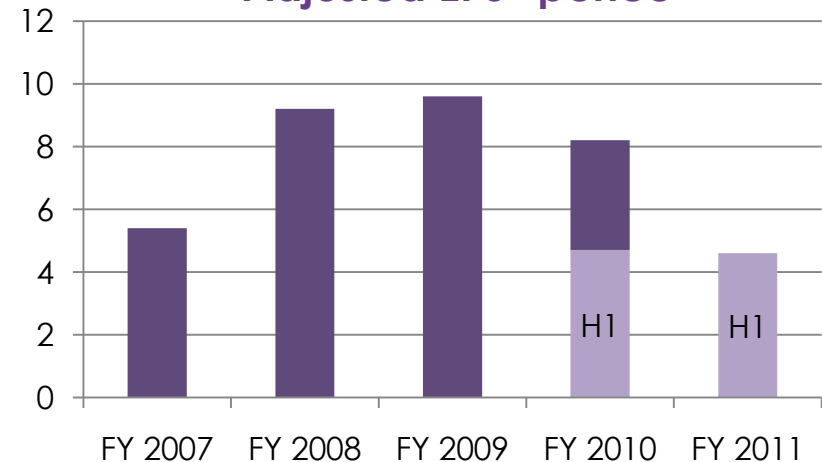
Operating Profit* £'m



Profit Before Tax* £'m

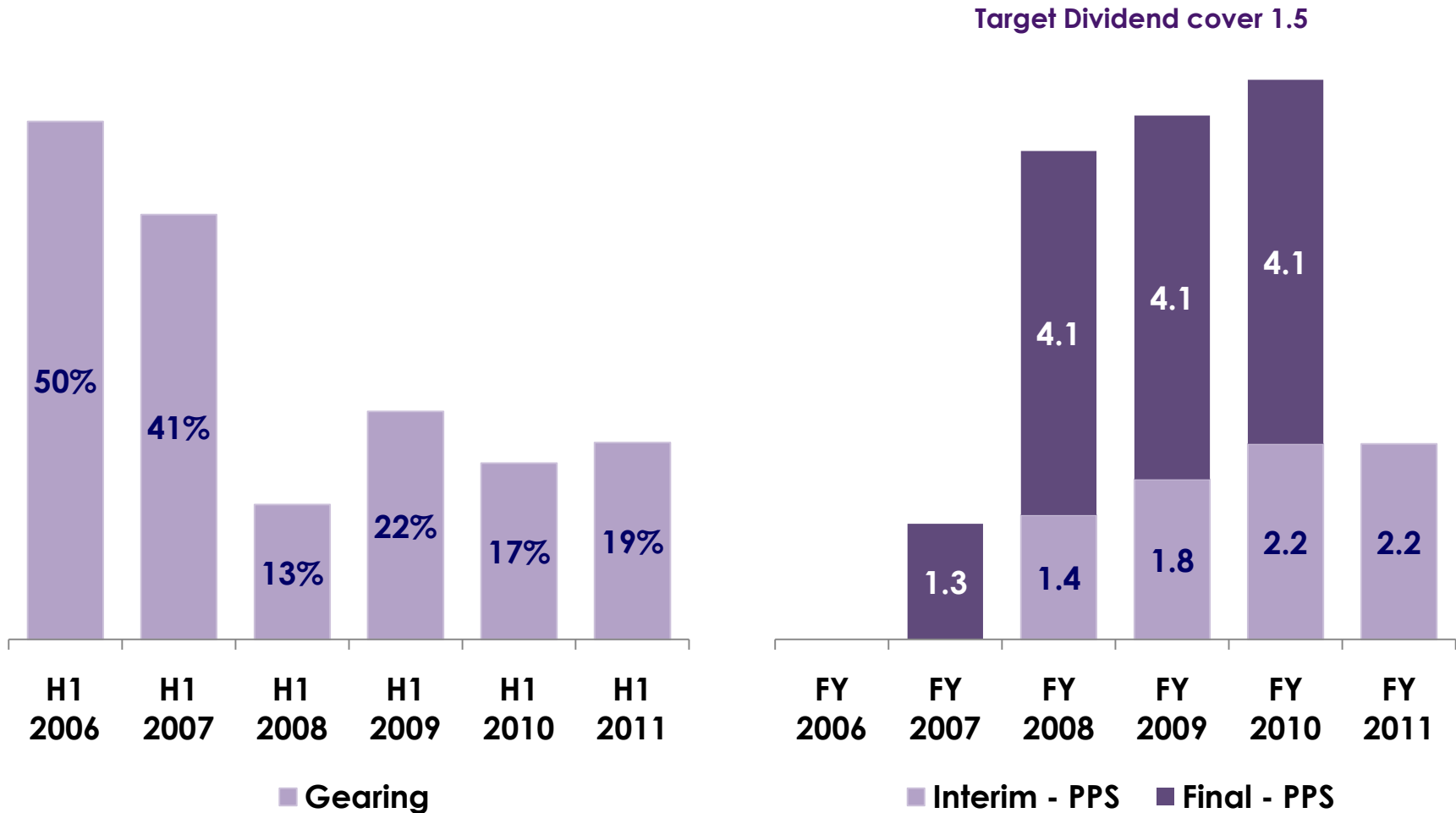


Adjusted EPS* pence

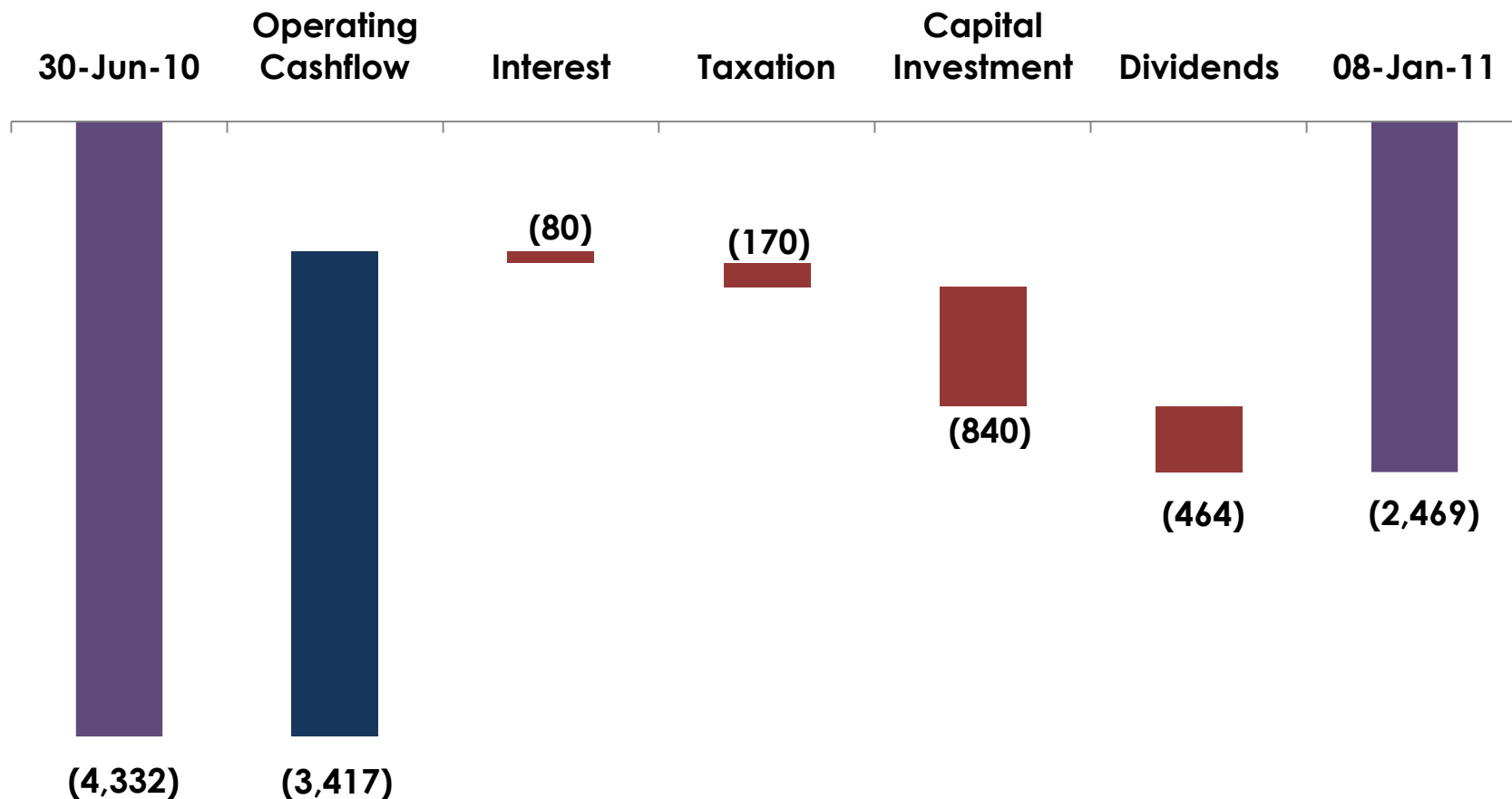


* Pre Exceptional items

Financial strength and dividend policy



... Whilst we have reduced Net Debt from last year-end ...

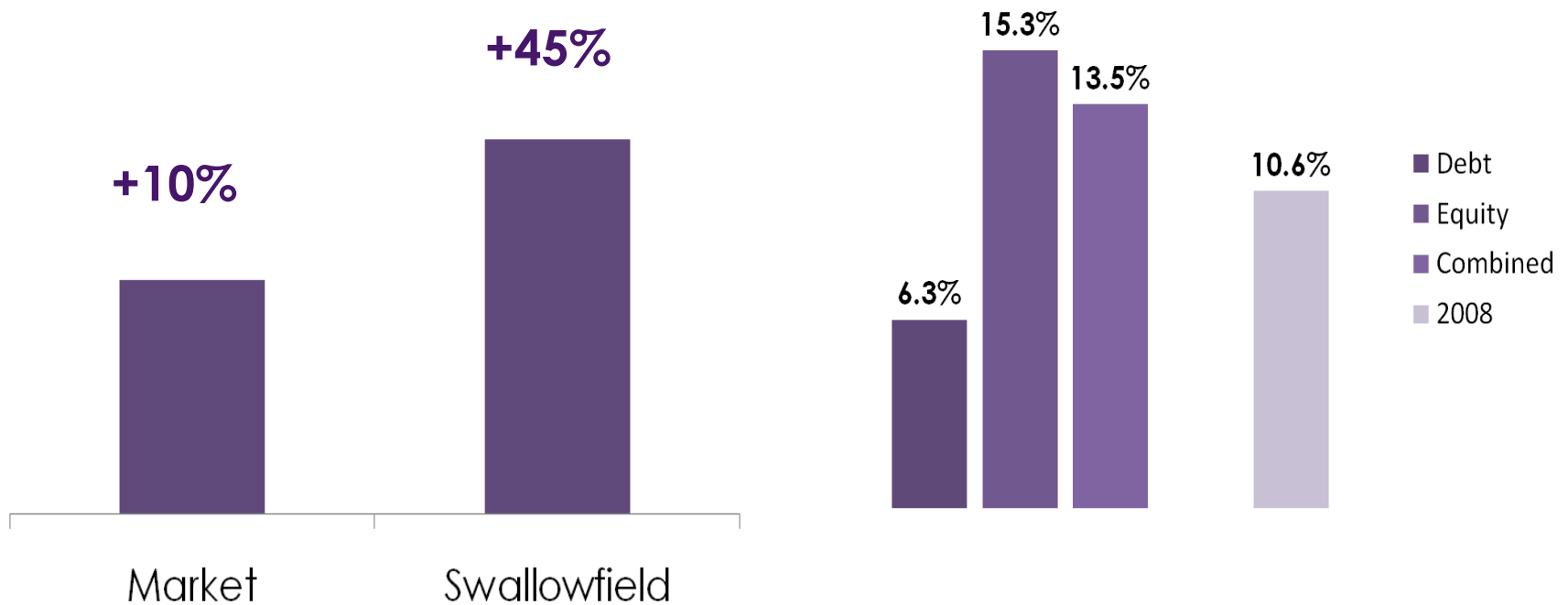


Reminder of strategic plan

(1)

**Aim to grow organically
in excess of the market:**

**Improved profitability:
Target pre-tax ROCE = 13.5%**



Reminder of strategic plan (2)

4 Key activities to support the strategic plan:

- Widening our geographic footprint
- Broadening our product technologies
- Driving competitive improvements in our cost structure
- Driving Growth

Progress v's strategic objectives: Growth

Progress

Close to winning first new product with major brand

H1 Revenue +7.4%

Order book significantly up on last year, some lead time increases

Business development scorecard in place

Future

Work with Global brands to drive growth overseas

Direct sales to India, Middle East, South Africa & develop China route

Selected retail accounts in UK, Europe and North America



Progress v's strategic objectives: Overheads

Progress

Integration of single supply chain group progressing

Reduction in total overheads as % of revenue

Total overheads down year-on-year.

Capacity utilisation increased

Future

Continued careful investment to support growth

Utilise Bideford to manufacture creams & lotion products

Generate revenue growth in excess of overhead growth

Progress v's strategic objectives: Product technology

Progress

New lotion manufacturing rooms nearing completion at Wellington and Bideford

Additional sun care aerosol manufacture won

Innovation days complemented by product champions

Future

Develop new skin care formulations

Process to gain further market penetration from product developments

Continue to develop other specialist formulations



Progress v's strategic objectives: Geographies

Progress

New York sales support office presenting new products and working on tenders

French sales support office wins new business

Awaiting confirmation of orders from second South African customer

Future

Develop footprint in North America & Europe

Develop direct sales into China

Utilise Czech Republic for expansion into Central Europe



Outlook

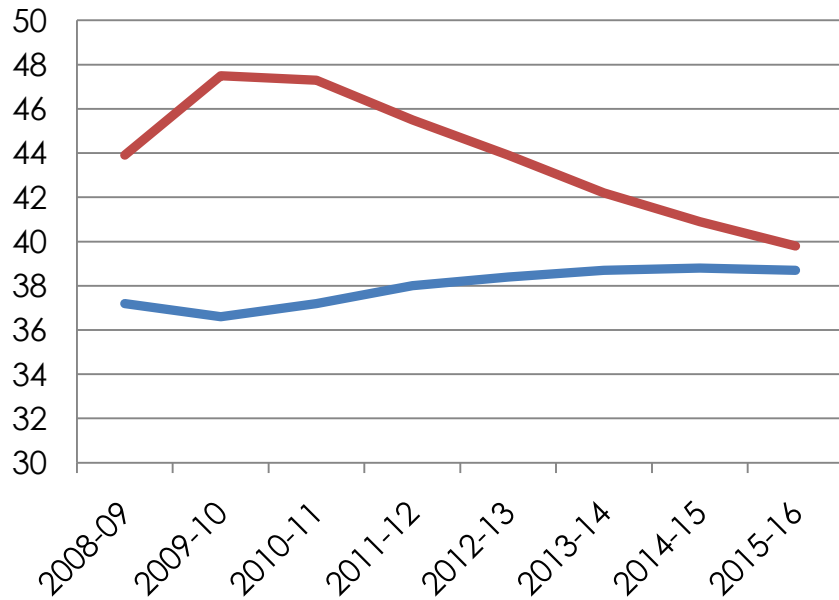
We continue to develop the business for the long-term ...

- Significant increase in current order book
- Enquiry levels remain good
- Hopeful that recent new product developments will launch with major brand
- Investment in new skincare facilities to be completed this half

... and work to recover margins, but recognise this will take some time.

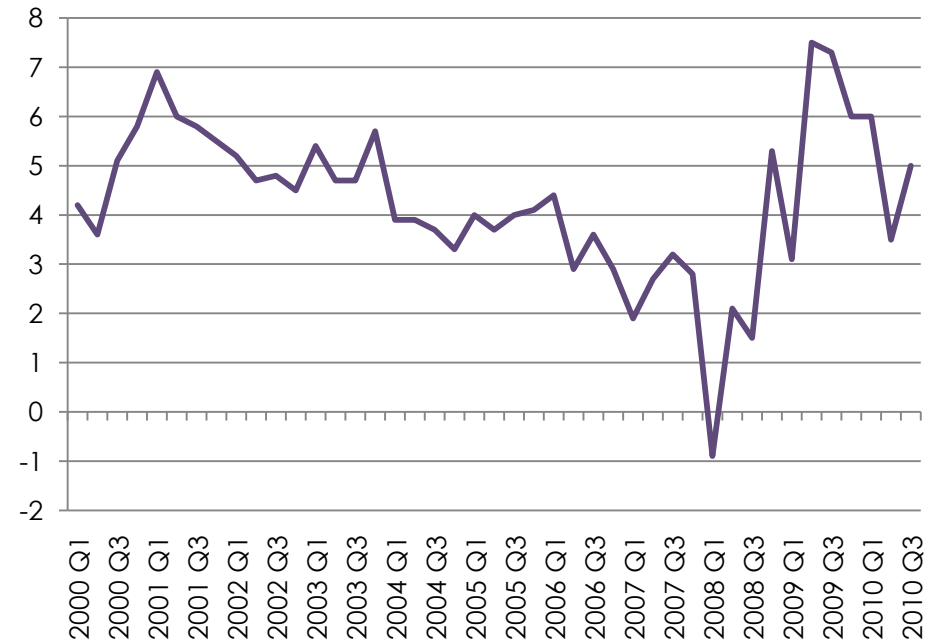
- Additional purchasing manager started recently; and
- As last time we are:
 - Value engineering products
 - Implementing cost avoidance strategies
 - Passing on unavoidable cost increases where possible

We still think UK consumption will remain weak ...



— Public sector current receipts - % GDP
 — Total managed expenditure - % GDP

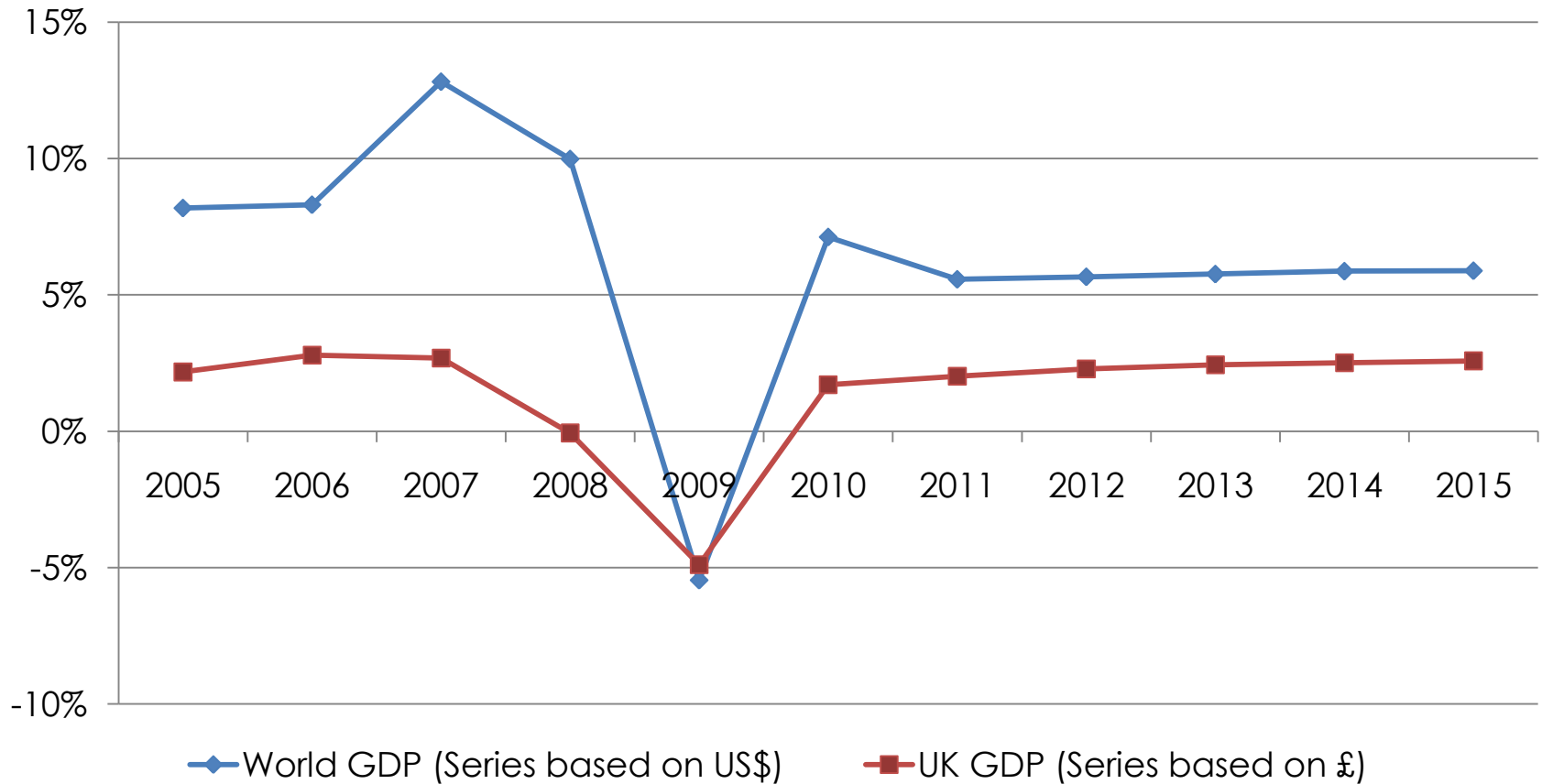
Source: Office of Budget responsibility



Savings Ratio

Source: ONS

... but we remain more positive about global prospects...



Source: IMF

...and are actively targeting the global consumer:

- Through indirect exports from current customers
- And specific targeting of:
 - Global brands
 - European, US retailers
 - Specific countries such as South Africa, India, Middle East and China

Overall we remain positive.

Appendices

Investor contacts

- Swallowfield plc
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- Smith & Williamson
 - Barrie Newton Tel: 0117 376 2117
 - Nick Reeve Tel: 0117 376 2100
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- JBP Public Relations
 - Chris Lawrance Tel: 0117 9073414

Financial calendar

Announcement of 2011 interim results	24 February 2011
Interim Dividend	27 May 2011
FY 2011 year-end	30 June 2011
Preliminary 2011 Results	September 2011
AGM	3 November 2010

Financial results

28 Weeks	H1 FY2010 £000's	H1 FY2011 £000's	%
Revenue	29,116	31,269	7.4%
EBITDA*	1,576	1,382	(12.3)%
Operating Profit*	829	762	(8.1)%
Exceptional Items	-	-	-
Net Interest	(88)	(73)	17.0%
Profit before taxation	741	689	(7.0)%
EPS*	4.7p	4.6p	(3.1)%
Net Debt	2,199	2,469	12.3%

* Pre Exceptional items