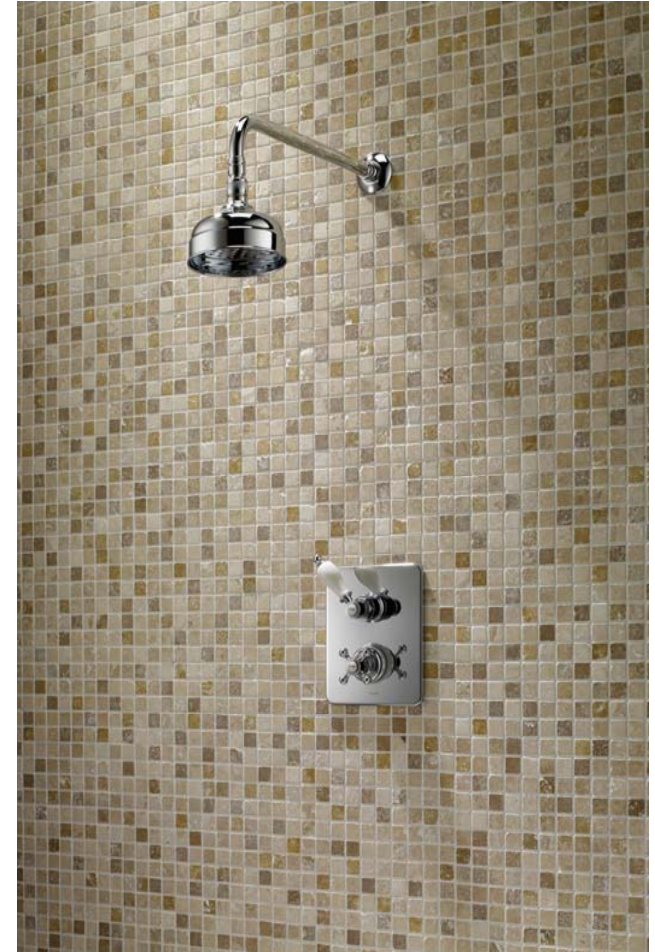


Norcros plc - Preliminary Results

Year ended 31st March, 2010





Introduction

John Brown
Chairman

2010 : Highlights

- Revenue growth +10.0%
- Resilient performance of the UK businesses and SA Adhesive operation
- Operational changes in SA tile manufacturing and retail benefitting H2
- Trading profit of £7.3m (2009: £7.0m)
- Bank refinancing completed July 09
- Capital raising of £27.7m net in Dec 09 to paydown expensive debt
- Net debt at 31 March 10 tightly controlled at £15.9m (2009: £45.8m)
- Disposal of Beaumont investment realising c. £4.3m net, completed June 10

Board Changes

- In anticipation of Joe Matthews retiring from the Board as Group Chief Executive in 2011:
 - Nick Kelsall, Group Finance Director, appointed Group Chief Executive from 1 April 2011, and Group Chief Executive-designate from 1 July 2010
- Board also strengthened with the appointment of Mr. Vijay Aggarwal as a Non-executive Director



Financial Review

Nick Kelsall

Group Finance Director

Financial Highlights

- Revenue and profit
 - Revenue of £169.6m, +10.0% (2009: £154.2m)
 - Trading profit of £7.3m, +4.3% (2009: £7.0m)

- Intense cash focus
 - Cash generated from operations £10.6m (2009: £6.8m)
 - Increase in rate of cash conversion
 - Capex c. 60% of depreciation; focus on new product development

- Capital Structure
 - Capital raising of £27.7m net to pay down debt – Dec 09
 - Reduction in bank interest margin triggered
 - Beaumont disposal of c. £4.3m net post y/end to further reduce debt & interest

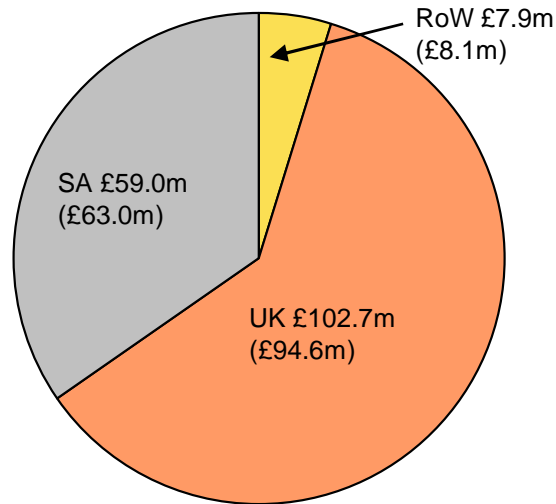
- Net debt and covenant compliance
 - Net debt £15.9m at 30 Mar 09 (2009: £45.8m)
 - Net debt / Ebitda of 1.3x (covenant < 4.6x)
 - Interest cover of 3.7x (covenant > 2.0x)

Summary Income Statement

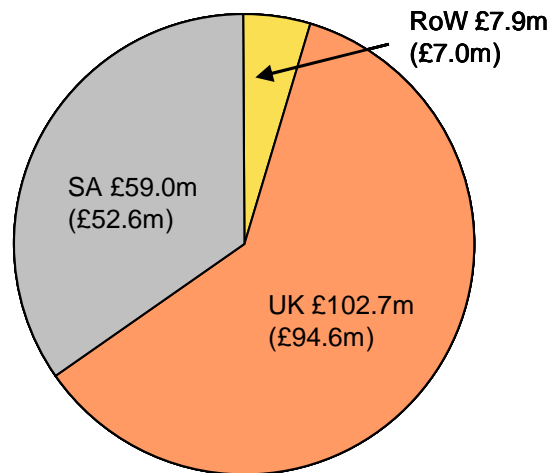
	2010 £m	2009 £m	Change %	£m
Revenue	169.6	154.2	+ 10.0	15.4
Group trading profit*	7.3	7.0	+ 4.3	0.3
Other operating income / costs	<u>0.1</u>	<u>-</u>		<u>0.1</u>
Group operating profit*	7.4	7.0	+ 5.7	0.4
Finance charges – cash	(4.0)	(2.8)		(1.2)
Profit before tax – underlying*	<u>3.4</u>	<u>4.2</u>	- 19.0	<u>(0.8)</u>
Share of associates results – non cash	(2.8)	(2.5)		(0.3)
Exceptional operating items	(8.2)	(7.7)		(0.5)
Finance charges – non cash	<u>(2.4)</u>	<u>1.2</u>		<u>(3.6)</u>
Loss before tax – reported	<u>(10.0)</u>	<u>(4.8)</u>		<u>(5.2)</u>

* before exceptional operating items, non cash associates results and non cash finance charges

Revenue by Geographic Segment



At constant currency +2.4 %



As reported +10.0%

- Strong revenue growth in UK offset by decline, in constant currency, in overseas businesses
- Underlying revenue change in constant currency
 - UK +£8.1m +8.6%
 - SA -£4.0m -6.3%
 - RoW -£0.2m -2.5%

Summary Cash Flow

	2010 £m	2009 £m
Cash generated from operations	10.6	6.8
Capex	(3.9)	(4.7)
Disposal of businesses	-	4.0
Net asset disposals & Div's rec'd	<u>0.1</u>	<u>2.0</u>
Free cash flow, pre financing	6.8	8.1
Interest and tax	(3.0)	(3.0)
Dividends paid	-	(4.0)
Net proceeds from capital raising	27.7	-
Payment of rolled up interest	(0.5)	-
Bank refinancing costs	<u>(3.5)</u>	<u>-</u>
Net cash flow	27.5	1.1
Exchange + non cash changes	<u>2.4</u>	<u>(0.4)</u>
Decrease in net debt	29.9	0.7

Cash Conversion

	2010 £m	2009 £m
Cash generated from operations	10.6	6.8
Trading profit	7.3	7.0
Cash conversion	145%	97%

Balance Sheet Highlights

	2010	2009
Depreciation (£m)	6.7	6.4
Capex (£m)	3.9	4.7
Capex / Depreciation	0.6x	0.7x
Net bank debt (£m)	15.9	45.8
Net bank debt/ Ebitda*	1.3x	3.3x

* covenant basis

- Mature and well funded UK pension scheme – see further details in Appendix
 - March 09 triennial actuarial valuation agreed - c. £36m deficit
 - Recovery plan agreed with Trustees - £9.7m injection agreed; spread over 12 years
 - FY11 and FY12 : £1m p.a.
 - FY16 – FY22 : £1.1m p.a.
 - IAS 19 position at 31 Mar 10 – £9.3m deficit



Operating Review

Joe Matthews

Group Chief Executive

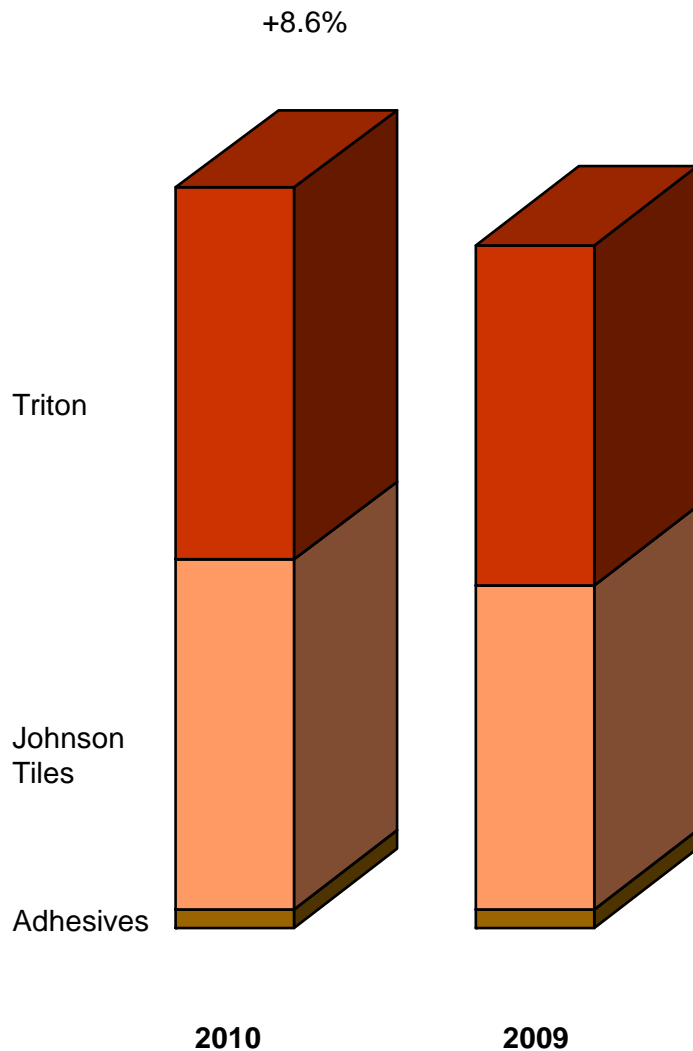
Market Environment

- UK Shower Market
 - Slow recovery in H2
 - YoY overall market +1.1% (H1 -12.2%)
 - Market still -20% peak to trough
 - Electric showers -14%; Mixers -36%
 - Electric performance driven by replacement activity

- UK Tile Market
 - Total market -10% YoY
 - Peak to trough -19%
 - Independent Retail / Housebuilder hardest hit
 - Private Sector Contracts significantly down H2
 - Public Sector held up well but expected to decline

- South Africa
 - GDP recovery in H2 – infrastructure driven
 - Building completions -20.5%
 - Retail sales Hardware, Paint & Glass -11.1%
 - Tile market peak to trough c. -30%

UK Operations - Good revenue growth despite significant market downturn



■ Triton

- Overall revenue 9.3%
UK +12.3%; Exports -4.8%
- Strong performance in UK Trade (National and Independent Merchants)
- Significant growth in DIY and Home Shopping
- Market share gains in electric and mixer
- Exports reflect weak market conditions in Ireland

■ Johnson Tiles

- Overall tile revenues +8.0%
UK +6.6%; Exports +16.2%
- Focus on Commercial and DIY markets
- DIY/Export gains – innovative ink jet products
- Progress in private specifications – Absolute range

■ Norcros Adhesives

- Revenue +4.0%
- Product development and range extension

UK Operations – Substantial increase in trading profit

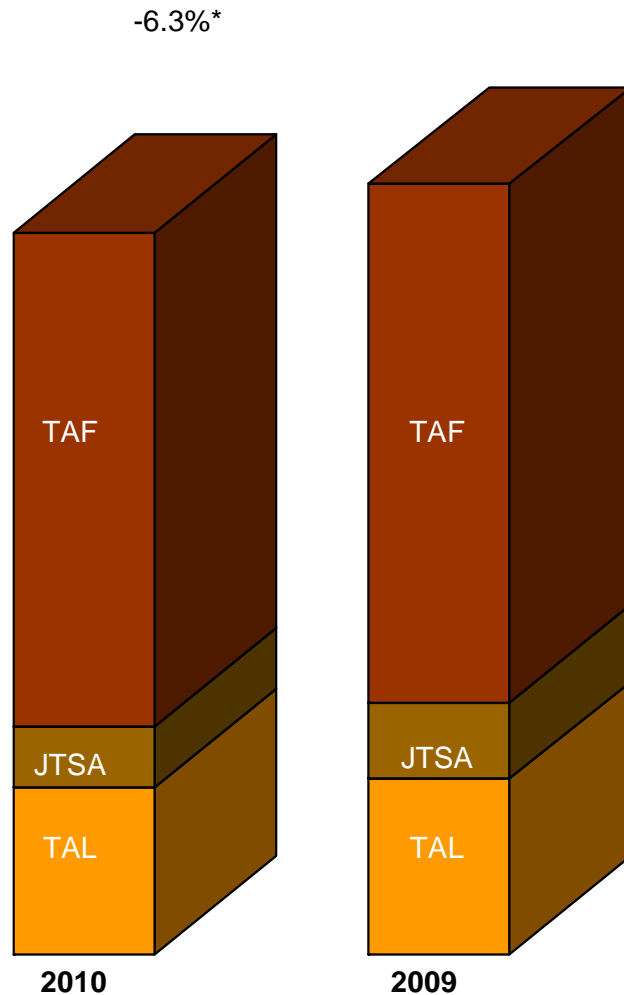
	2010	2009	Change %
Trading Profit (£m)	11.6	8.9	+30.3
ROS %	11.3	9.4	+20.2

- Triton – resilient profit performance and strong cash generation in weak market
 - Strength of product offer
 - 70% of sales from products launched in last 3 years
 - Higher commodity prices
 - Strong action on cost base
 - Profit margins largely maintained

- Johnson Tiles – substantial turnaround in operating performance
 - Revenue growth despite 10% market fall
 - Benefit of reduced energy cost
 - Significant cost reduction initiatives

- Norcros Adhesives
 - Increased revenue and profit despite market
 - Sales from new product introductions
 - Tight cost control

South Africa - Revenue declined 6.3% in tough market



* at constant currency

- TAF revenues -5%*
 - LFL sales H2 +0.8% v H1 -12.6%
 - Closure of 4 underperforming stores
 - 15 stores now upgraded to Lifestyle format
- JTSA revenue -20.6%*
 - Impact of severe market conditions
 - Effects of the closure of wall tile kiln in prior year
 - Focus on plant stabilisation delayed new product programme
- TAL revenue -4.2%*
 - Lower volumes (-20.5%) partly offset by improved mix
 - Strong new product programmes in cementitious adhesives and building products
 - Good growth with hot melt Industrial Adhesives

South Africa - Increased loss but significant reduction in H2

	2010	2009
Trading * Loss (£m)	(3.7)	(2.0)
ROS %	(6.3)	(3.2)

*at constant currency

■ TAF

- Impact of revenue decline and high operational leverage
- Closure of 4 unprofitable stores – announced H1
- Action plan to drive
 - Supply chain efficiencies
 - Reduction in distribution & store operating costs
- Loss in H2 significantly less than H1

■ JTSA

- Loss driven by lower demand and production inefficiencies
- Senior management team replaced
- Specialist tile manufacturing resource deployed
- Plant stabilised in Q4; higher volume & improved quality
- Trading loss in H2 half that of H1

■ TAL

- Resilient profit and cash performance
- Improved product mix
- Raw material savings

Summary & Outlook

Triton

- Leading supplier in UK domestic shower market
- Continued market share gains
- Commercial and care markets expansion

Johnson Tiles

- Leading edge new product development
- Focus on commercial specifications
- DIY & Export market share gains

South Africa

- Management team strengthened
- Benefits of operational improvements in tile manufacturing
- Long term tile market growth; favourable demographics
- TAF – action to cut operating costs and improve store performance
- Adhesives – product innovation

Outlook

- Decisive cost reduction measures
- Successful fundraising & strong balance sheet
- Strong cash flow and cash conversion
- UK businesses performing well; recovery plan in SA
- Short term market outlook uncertain but good medium term prospects

Appendices



UK Pension Scheme

■ Mature Scheme; 11,000 members

- Pensioners (61%), Deferred (35%), Actives (4%)
- Average age of pensioners is 75

■ Investment Strategy

- Low risk asset allocation; 35% equities, 32.5% gilts, 32.5% corporate bonds
- Pensioner liability matched

■ Valuations

- March 09 actuarial valuation driven by extreme market conditions
- March 10 IAS 19 valuation reflects 5.7% discount rate, stronger mortality assumptions and £54m increase in assets from March 09
- March 10 actuarial valuation estimate – 96% funding level

■ 2009 Recovery Plan

- £9.7m injection agreed; spread over 12 years
 - FY11 and FY12 : £1m p.a.
 - FY16 – FY22 : £1.1m p.a.

