



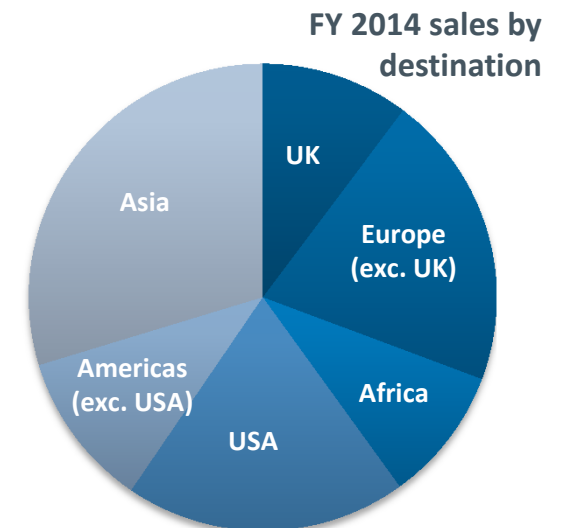
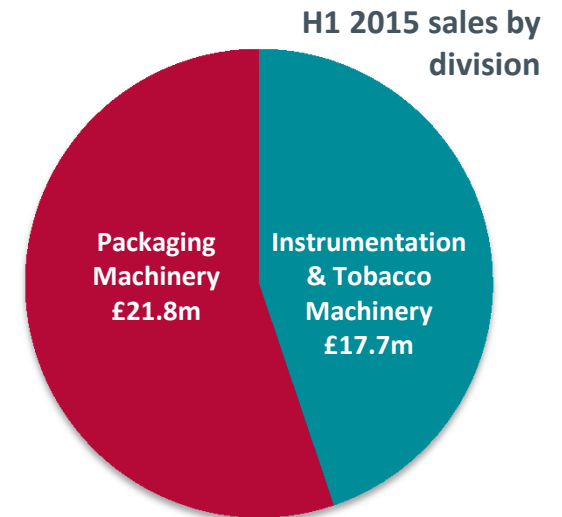
Half-Year Results

Six months to 30 June 2015



The Business

- Well-established international specialist technology and services group
 - high performance instrumentation, machinery and aftermarket services
 - market-leading expertise
 - reputation for high service levels
- Two operating divisions
 - Packaging Machinery
 - Instrumentation & Tobacco Machinery
- International presence – 90% of sales are non-UK
- Target market sectors are nutrition, beverages, healthcare, pharmaceutical & tobacco
- Emphasis on product development and achieving growth in emerging markets



H1 Results: Operational Key Points

- Results in line with management expectations
- Sale of analytical services laboratories business completed in May 2015
- Packaging Machinery division orders up 18% and sales up 26% (in local currencies) - solid order book for H2
- Instrumentation & Tobacco Machinery division affected by continuing challenging market conditions, with lower order intake and reduced margins
- Continuing focus on product development across both divisions and standardisation of product portfolio
- Ongoing penetration of target market sectors and geographic regions
- Group remains on course to meet market expectations, with significant H2 weighting as anticipated

H1 Results: Financial Key Points

- Sales of £39.5m (2014: £38.9m)
- Underlying PBT of £1.3m (2014: £1.7m)
- Underlying EPS of 5.1p (2014: 7.5p)
- Loss from discontinued operations of £5.7m
- Net debt of £3.9m (Dec 2014: £2.1m)
- Maintained interim dividend of 2.5p per share (2014: 2.5p)

Divisional Trading Results

Sales	H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Packaging Machinery	21.8	18.3	40.5
Instrumentation & Tobacco Machinery	17.7	20.6	46.9
Total	39.5	38.9	87.4
Underlying operating profit*			
Packaging Machinery	1.1	0.1	1.8
Instrumentation & Tobacco Machinery	0.3	1.6	3.6
Total	1.4	1.7	5.4

* Before non-underlying items

Financial Review: Income Statement

	H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Sales	39.5	38.9	87.4
Underlying operating profit*	1.4	1.7	5.4
Non-underlying items	(0.5)	(0.6)	(1.2)
Operating profit	0.9	1.1	4.2
Net interest expense	(0.5)	(0.1)	(0.3)
Loss from discontinued operations	(5.7)	(1.1)	(3.6)
(Loss)/profit before tax	(5.3)	(0.1)	0.3
Taxation	-	(0.1)	(0.6)
Loss for the period	(5.3)	(0.2)	(0.3)
Underlying EPS*	5.1p	7.5p	22.0p
Basic EPS	(26.9)p	(0.9)p	(1.3)p

* Before non-underlying items

- Strong growth in sales of 19% (26% in local currencies) in Packaging Machinery, offset by reduced sales within Instrumentation & Tobacco Machinery arising from weak market conditions
- Improved performance in Packaging Machinery but within Instrumentation & Tobacco Machinery reduced sales, competitive pricing and strength of sterling has resulted in lower profitability
- Non-underlying items: pension administration costs (£0.4m) and reorganisation costs (£0.1m)
- Underlying net interest of £0.1m; balance is pensions-related (treated as non-underlying)
- Discontinued operations comprises trading loss (£0.9m), net loss on disposal (£3.5m) and write-down of goodwill (£1.3m)
- Taxation rate of 24% on underlying profits (FY 2014: 18%)

Financial Review: Cash Flows

	H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Net cash from operating activities	0.5	(3.5)	(0.5)
Net cash from investing activities	(1.6)	(2.1)	(4.8)
Net cash from financing activities	(0.7)	(0.7)	(1.5)
Net cash flow	(1.8)	(6.3)	(6.8)
Opening net (debt)/funds	(2.1)	5.2	5.2
Exchange	-	0.2	(0.5)
Closing net debt	(3.9)	(0.9)	(2.1)

- Cash flow from operating activities includes:
 - £0.2m working capital decrease
 - £0.9m pension payments to UK defined benefit pension scheme
 - £0.2m reorganisation costs
 - £0.9m net outflow from discontinued operations (FY 2014: £2.1m)
 - £0.1m tax paid
- Cash flow from investing activities includes:
 - £0.4m net capital expenditure (2014: £0.9m)
 - £1.2m product development expenditure (2014: £1.3m), reflecting activity in both divisions
 - £0.2m purchase of intellectual property
 - £0.2m net proceeds on disposal of discontinued operations
- Cash flow from financing activities includes:
 - £0.6m dividends paid

Financial Review: Balance Sheet

Net assets		H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Intangible assets:	Goodwill	7.6	9.9	8.7
	Product development	7.4	5.8	7.0
Property, plant & equipment		8.9	11.7	12.1
Net working capital (exc. pensions & tax)		12.5	14.9	14.6
Pension schemes (after tax)		(9.6)	(7.2)	(15.2)
Current & deferred tax (exc. pensions)		0.7	1.2	0.8
Net debt		(3.9)	(0.9)	(2.1)
Equity		23.6	35.4	25.9
Net assets per share		117p	175p	128p

- Goodwill at June 2015 relates to Cerulean only
- Property, plant and equipment includes £0.8m of investment property
- Tax balance includes £0.3m of current tax payable
- Main equity movements: £5.4m actuarial gains (net of tax); £1.7m translation losses; £5.7m loss on disposal of discontinued operations; £0.6m dividends paid

Packaging Machinery: Business Overview

- Leading supplier of complex highly automated product handling, cartoning and robotic end-of-line packaging and processing equipment
- Innovative technology tailored for specific niches within the following sectors
 - nutrition
 - beverages
 - healthcare
 - pharmaceutical
 - tobacco
- Key supplier to a number of leading FMCG and pharmaceutical multinationals
- Global presence with locations in UK, Netherlands, Canada and Singapore
 - increasing activity in Asia and South America

Packaging Machinery: Operating Performance

	H1 Jun 15	H1 Jun 14	FY Dec 14
Sales	£21.8m	£18.3m	£40.5m
Operating profit	£1.1m	£0.1m	£1.8m
Operating margin	5.0%	0.5%	4.4%

- Order intake increased by 18%
- Sales in local currencies increased by 26%, with strong opening order book
- Good progress in pharmaceutical and healthcare sectors
- Strategy of introducing more standardised machines to complement the innovative range continues
- “Hygienic” variants of standard machines becoming established in the market
- Continued progress in Asia through provision of local support to multinational customers
- Strong order book in place for continued progress in H2

Instrumentation & Tobacco Machinery: Business Overview

- Supplier of instrumentation, machinery and aftermarket services, predominantly to the tobacco industry
- Global presence – UK, USA, Brazil, Singapore, Czech Republic, Russia, Egypt, India and China
- Well developed supply chain, with instrumentation assembly in the UK and main manufacturing facility in Czech Republic
- Central product development and logistics functions in the UK
- Customers include multinational, independent and state-owned cigarette manufacturers and non-tobacco FMCG businesses

Instrumentation & Tobacco Machinery: Operating Performance

	H1 Jun 15	H1 Jun 14	FY Dec 14
Sales	£17.7m	£20.6m	£46.9m
Operating profit*	£0.3m	£1.6m	£3.6m
Operating margin*	1.7%	7.7%	7.7%

*Before reorganisation costs of £0.1m (Jun 2014: £0.1m; Dec 2014: £0.4m)

- Performance impacted by continued contraction in capital investment within tobacco sector and strength of sterling
- Continued focus on cost control
- Product development initiatives:
 - enhanced instrumentation product range to consolidate position as market-leader
 - field trials of Alto (10,000 per minute cigarette maker) successfully completed
 - field trials to commence in H2 of Optima (a cigarette packing machine)
- Acquisition of intellectual property of thermometry measurement equipment for the nutrition sector adds to range of non-tobacco related instruments
- Challenging outlook but division well placed to progress in H2

Outlook

- Prospects for the Packaging Machinery division continue to be encouraging, with solid order book for H2
- Instrumentation & Tobacco Machinery division affected by continuing challenging market conditions
- Focus on growth initiatives, including both organic and acquisitive development within core market sectors
- As in previous years full year trading performance will be significantly weighted towards H2
- Group remains on course to meet market expectations

Supplementary Information

- Taxation and EPS
- Cash Flow
- Working Capital
- Banking Facilities
- Pensions
- Discontinued Operations



Taxation and EPS

Taxation

	H1 Jun 15	H1 Jun 14	FY Dec 14
Underlying tax charge*	£0.3m	£0.2m	£0.9m
Tax credit on pension scheme balances	£(0.3)m	£(0.1)m	£(0.3)m
Total tax charge	-	£0.1m	£0.6m
Effective rate on underlying profits	24%	13%	18%

* Before non-underlying items

Earnings per share

	H1 Jun 15	H1 Jun 14	FY Dec 14
Underlying EPS	5.1p	7.5p	22.4p
Profit before non-underlying items	£1.0m	£1.5m	£4.4m
Basic EPS	(26.9)p	(0.9)p	(1.3)p
Loss for the period	£(5.3)m	£(0.2)m	£(0.3)m
Average number of shares (000's)~	19,522	19,490	19,492
Number of shares in issue (000's)	20,172	20,172	20,172

~ Average number of shares used for non-diluted EPS calculations excludes shares held by employee trust

Cash Flow

	H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Underlying operating profit	1.4	1.7	5.4
Depreciation, amortisation and amortisation charge	1.1	1.3	2.3
Other non-cash items	(0.1)	-	0.1
Pension payments	(0.9)	(0.9)	(1.8)
Working capital movements	0.2	(3.2)	(2.9)
Cash generated from operations	1.7	(1.1)	3.1
Reorganisation	(0.2)	(0.2)	(0.5)
Discontinued operations	(0.9)	(1.3)	(2.1)
Taxation paid	(0.1)	(0.9)	(1.0)
Net cash from operating activities	0.5	(3.5)	(0.5)

* Before non-underlying items

	H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Interest received	-	0.1	0.2
Capital expenditure (net)	(0.4)	(0.9)	(1.9)
Development expenditure	(1.2)	(1.3)	(3.1)
Purchase of intellectual property	(0.2)	-	-
Proceeds on disposal of discontinued operations	0.2	-	-
Net cash from investing activities	(1.6)	(2.1)	(4.8)
Interest paid	(0.1)	(0.1)	(0.3)
Purchase of own shares	-	-	(0.1)
Dividends paid	(0.6)	(0.6)	(1.1)
Net cash from financing activities	(0.7)	(0.7)	(1.5)
Net cash flow	(1.8)	(6.3)	(6.8)
Opening net (debt)/funds	(2.1)	5.2	5.2
Exchange	-	0.2	(0.5)
Closing net debt	(3.9)	(0.9)	(2.1)

Working Capital

	H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Inventories increase	(2.5)	(4.4)	(0.6)
Receivables decrease/(increase)	2.6	2.0	(1.5)
Payables increase/(decrease)	0.2	(0.6)	(0.6)
Provisions decrease	(0.1)	(0.2)	(0.2)
Net working capital decrease/(increase)	0.2	(3.2)	(2.9)

Banking Facilities

- UK committed borrowing facilities of £13.0m renewed in October 2013, committed to September 2018, secured on the Group's assets
- In addition, ancillary facilities in place to cover Group's bonding, guarantees and foreign exchange requirements

Pensions

		H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Value of assets	UK	349.3	339.2	347.9
	US	14.6	14.4	15.4
	Total	363.9	353.6	363.3
Net deficit	UK	(7.6)	(6.3)	(14.1)
	US	(6.0)	(3.6)	(6.5)
	Net before tax	(13.6)	(9.9)	(20.6)
	Deferred tax	3.9	2.7	5.4
	Net after tax	(9.7)	(7.2)	(15.2)

Pension administration costs	0.4	0.4	0.9
Interest cost less other income on pension scheme balances	0.4	0.1	-
Net pension charge before tax	0.8	0.5	0.9

- Accounting deficit decreased mainly as a result of improved asset returns
- Net discount rate:
 - UK valuation: 1.4% (FY 2014: 1.5%)
 - USA valuations: 1.1% (FY 2014: 0.7%)
- Funding of UK scheme at £1.8m pa (+2.1% pa) (17 year recovery period as from July 2012)
 - triennial funding valuation as at June 2015 commenced
- Pension administration costs are funded by the pension schemes
- Interest cost calculated by applying the discount rate at the beginning of the year to the opening IAS 19 valuation

Discontinued Operations – Arista Laboratories

	H1 Jun 15 £m	H1 Jun 14 £m	FY Dec 14 £m
Loss from trading activities	(0.9)	(1.1)	(2.0)
Proceeds from disposal	0.3	-	-
Costs incurred on disposal	(0.4)	-	-
Loss on disposal of net assets	(3.4)	-	-
Impairment of goodwill	(1.3)	-	(1.6)
Loss on discontinued operations	(5.7)	(1.1)	(3.6)
Net decrease in cash and cash equivalents	(0.7)	(1.3)	(2.1)

Disclaimer

This presentation is being made only to and directed at: (a) persons who have professional experience in matters relating to investments falling within Article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “FPO”); or (b) high net worth entities, and other persons to whom it may otherwise lawfully be communicated, falling within Article 49 of the FPO (all such persons together being referred to as “relevant persons”); or (c) any other person to whom this promotion may lawfully be directed. Any person who is not a relevant person should not act or rely on this presentation or any of its contents.

This presentation may contain forward-looking statements with respect to certain of the plans and current goals and expectations relating to the future financial conditions, business performance and results of Molins PLC (“Molins”). By their nature, all forward-looking statements involve risk and uncertainty because they relate to future

events and circumstances that are beyond the control of Molins, including amongst other things, Molins’ future profitability, competition in the markets in which Molins and its subsidiaries operate and its ability to retain existing customers and win new customers, changes in economic conditions generally, terrorist and geopolitical events, legislative and regulatory changes, changes in taxation regimes, exchange rate fluctuations and volatility in Molins’ share price. As a result, Molins’ actual future financial condition, business performance and results may differ materially from the plans, goals and expectations expressed or implied in these forward-looking statements. Molins undertakes no obligation to publicly update or revise forward-looking statements, except as may be required by applicable law and regulation (including the AIM Rules). No statement in this presentation is intended to be a profit forecast or be relied upon as a guide to future performance.

Dick Hunter
Chief Executive

David Cowen
Group Finance Director



Rockingham Drive
Linford Wood East
Milton Keynes MK14 6LY
Tel: +44 (0)1908 246870
Fax: +44 (0)1908 234224