



Victrex plc
Full year results 2011



Highlights

Record financial performance

- Sales volume up 13% to 2,860 tonnes (2010: 2,535 tonnes)
- Revenue up 14% to £215.8m (2010: £189.5m)
- Earnings per share up 31% to 85.3p (2010: 65.1p)
- Cash of £72.3m at 30 September 2011 and no debt
- Full year dividend up 30% to 32.5p (2010: 25.0p)

Group Income Statement

Record revenues and profits

Year ended 30 September	2011 £m	2010 £m	Growth
Revenue	215.8	189.5	14%
Gross profit	146.4	120.6	21%
<i>Gross margin %</i>	67.8%	63.6%	<i>4.2 % pts</i>
Overheads	(52.6)	(45.7)	15%
Interest	0.4	-	n/a
Profit before tax	94.2	74.9	26%
Earnings per share	85.3p	65.1p	31%

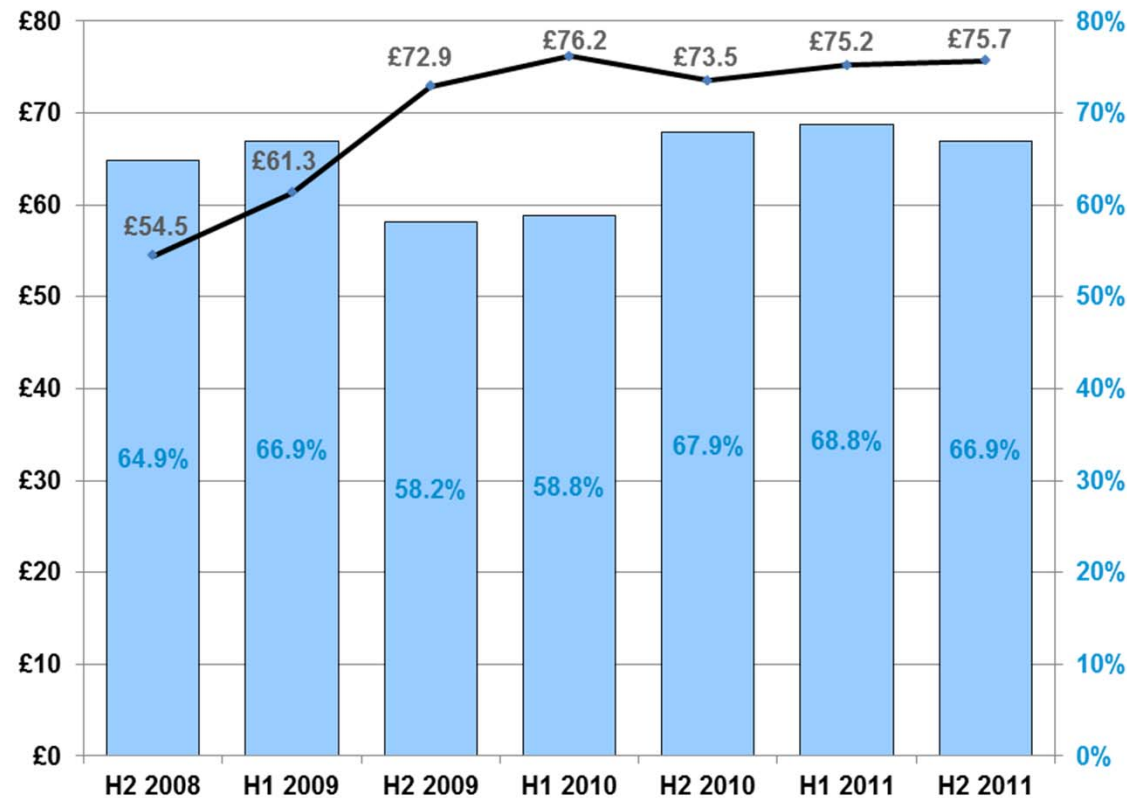
- Continued investment in resources to drive and support growth
- Underlying effective tax rate of 26.4%

Group Gross Margin

Gross margin improved 4.2 % pts over 2010

£ASP

GM%



- Strong ASP maintained
- H2 2011 margin reflects:
 - Re-investment in production resources
 - Increased raw material prices

Currency Exposure

2011 currency benefit of £1.7m

	Average exchange rates			Exchange rate sensitivity #
	2010	2011	2012	
\$/£	1.58	1.57	1.58	£3.8m
€/£	1.15	1.16	1.16	£3.6m
¥/£	153	135	124	£0.8m

2012 estimates based on forecast sales volume, currency hedging already in place and spot exchange rates as at 25 November 2011

Management estimate of impact on PBT from a 5% movement in average exchange rate based on 2011 results

Group Cash Flow Statement

Strong cash generation from operations

Year ended 30 September	2011	2010
	£m	£m
Operating profit	93.8	74.9
(Increase)/decrease in inventories	(9.7)	2.9
Increase in trade and other receivables	(5.5)	(3.2)
Increase in trade and other payables	4.5	10.2
Depreciation and other	8.1	6.1
Cash generated from operations	91.2	90.9
Tax paid	(25.7)	(13.7)
Capital expenditure	(9.0)	(4.5)
Dividends paid	(63.8)	(16.9)
Other financing activities	2.2	2.6
Net (decrease)/increase in cash and cash equivalents	(5.1)	58.4

- Capital investment includes:
 - Invibio® manufacturing and technology facilities
 - Land for future expansion at Hillhouse
- Dividends paid includes special dividend of 50.0p per share (£41.6m)

Group Balance Sheet

Strong balance sheet including £72.3m cash and no debt

	30 September 2011 £m	30 September 2010 £m
PPE and intangible assets	135.6	135.4
Inventories	45.0	34.5
Cash	72.3	77.3
Trade receivables and other assets	34.9	31.8
Retirement benefit obligations	(6.2)	(9.5)
Trade payables and other liabilities	(60.0)	(58.2)
Equity shareholders' funds	221.6	211.3
Working capital/sales	28%	26%

- Capital investment in line with depreciation
- Increased inventory:
 - Strategic increase to underpin security of supply
 - Increased cost of production
- Additional deficit funding payment of £2.6m

Capital Investment Programme

Investment for growth

- Monomer investment commenced
- Polymer investment timing being assessed
- Investment in technical facilities progressing
- Capital investment forecast range # :

2012	2013	2014
£25-35m	£25-45m	£25-50m



Upper end of range predominantly reflects indicative phasing of investment in an additional polymer plant

Victrex Polymer Solutions



victrex®

VPS Highlights

Record results

- Record financial performance
- Volume growth across all markets
- Strengthened management team
- Continued investment in commercial resources
- Investment in technical capability in Japan and the UK

VPS Income Statement

Growth across all markets and gross margin % improvement

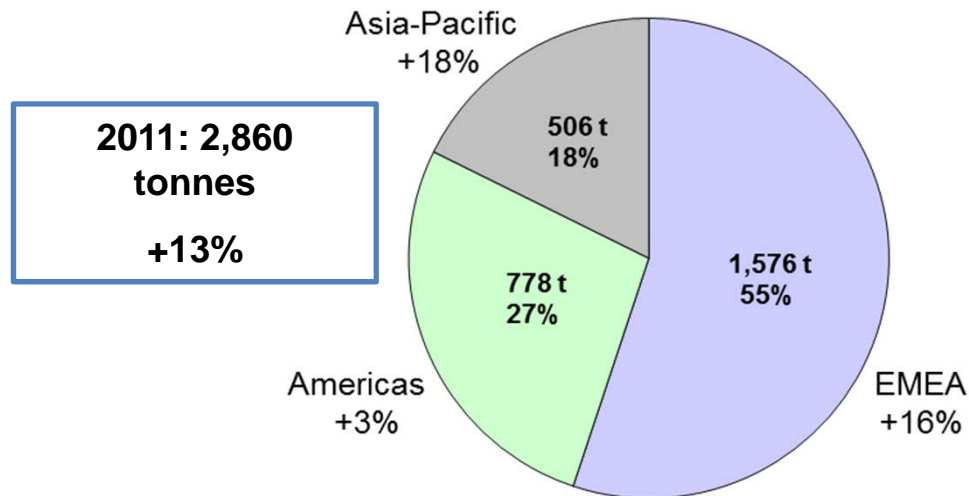
Year ended 30 September	2011 £m	2010 £m	Growth
Revenue	166.1	145.3	14%
Gross profit	102.5	80.9	27%
<i>Gross margin %</i>	61.7%	55.7%	6.0 % pts
Overheads	(35.7)	(32.6)	10%
Operating profit	66.8	48.3	38%

- Sales revenue up 14% to a record £166.1m
- Gross margin benefits from operational gearing
- Continued investment in resources to drive and support growth

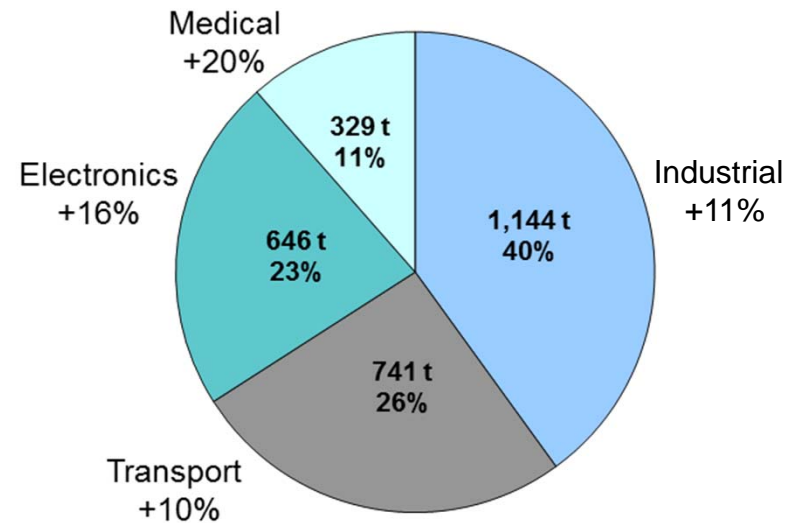
Group End Markets

Growth across all geographies and market segments

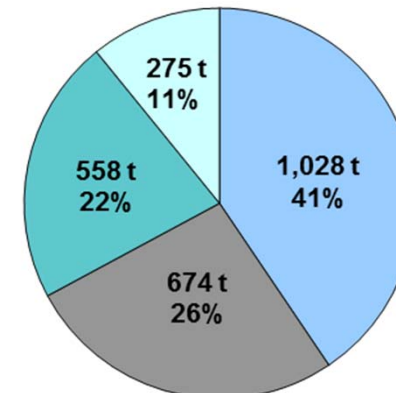
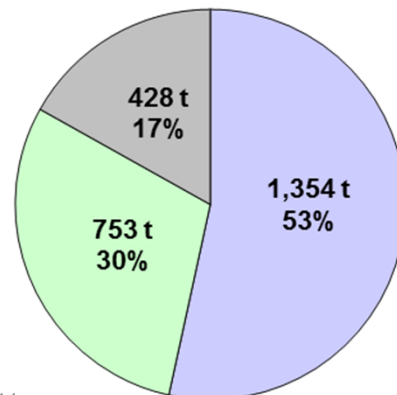
Geographical Segments



Market Segments



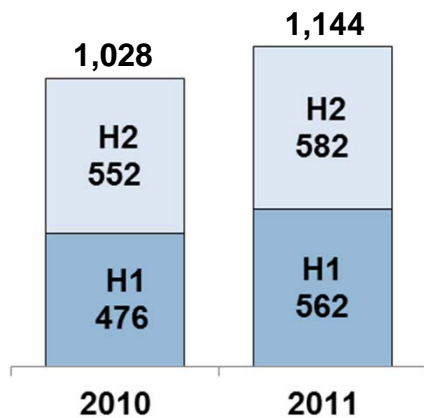
2010: 2,535 tonnes



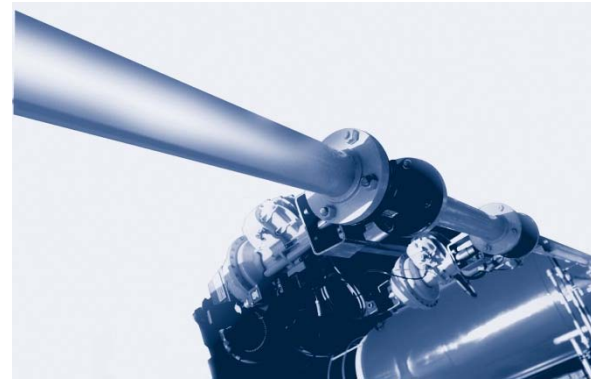
YEAR ENDED 30 SEPTEMBER 2011

VPS Market Highlights - Industrial

Sales volume (tonnes)

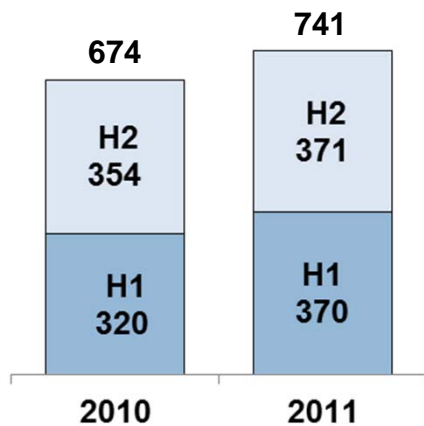


- Volume up 11% on 2010
- Oil and gas growth driven by:
 - Oil price
 - Capital investment
- Industrial machinery and processing equipment:
 - Increased demand
 - Capital investment



VPS Market Highlights - Transport

Sales volume (tonnes)

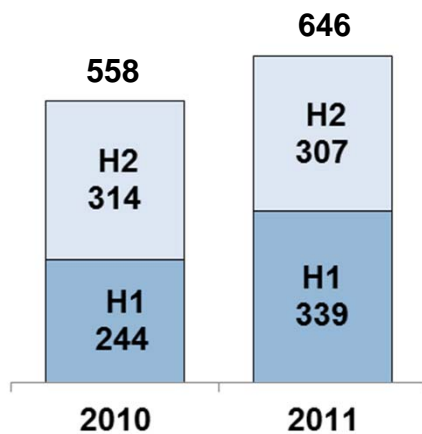


- Volume up 10% on 2010
- Automotive:
 - Recovery in vehicle production and sales globally
 - Continued strong sales of luxury cars
- Aerospace:
 - Demand stable following strong recovery in 2010
 - Continued delay in 787 production

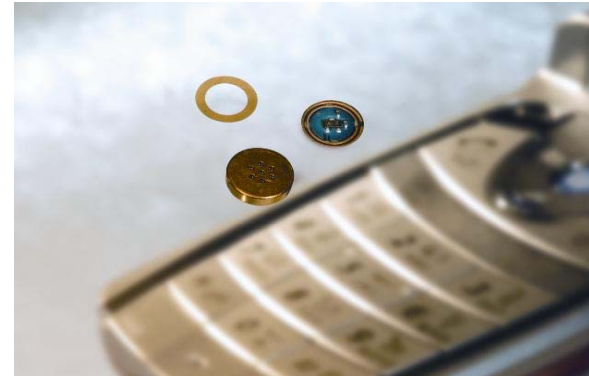
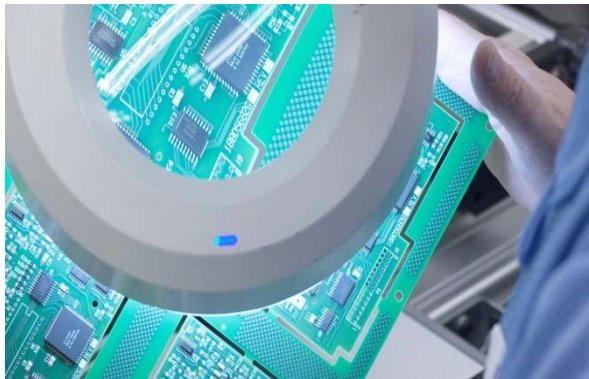


VPS Market Highlights - Electronics

Sales volume (tonnes)

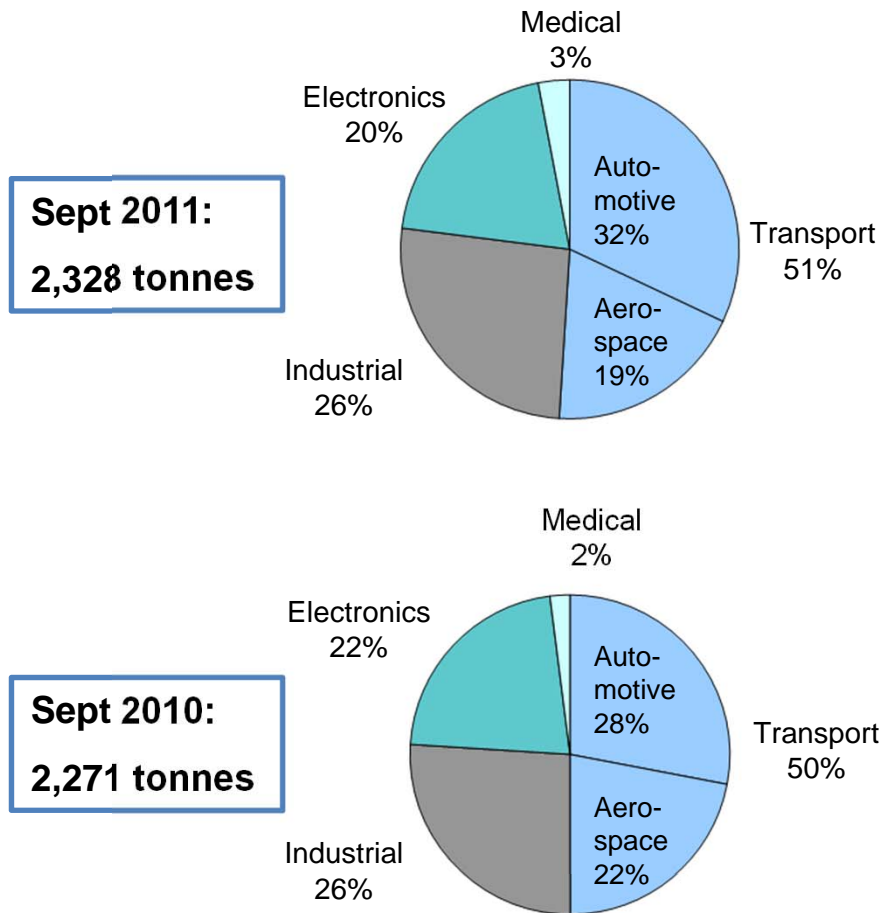


- Volume up 16% on 2010
- Semiconductor manufacturing:
 - Strong investment in H1 in US and Asia
 - H2 demand softened
- Consumer electronics:
 - Innovation and product renewals remained strong



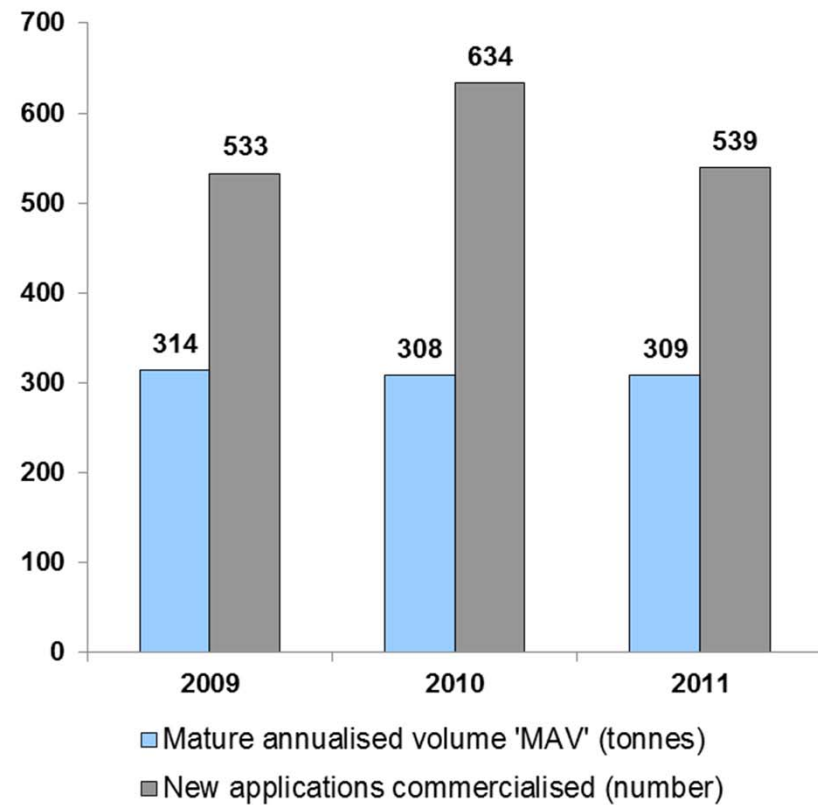
VPS - Development Pipeline

Strong pipeline of applications



YEAR ENDED 30 SEPTEMBER 2011

309 tonnes MAV commercialised



VPS - Outlook

Regional view

Asia

US

Europe

Optimistic

Neutral

Cautious

Global market view

Oil & gas
Aerospace

Automotive
Consumer electronics
Industrial machinery

Semiconductor

Growth
Minimal inventory adjustment

Modest growth
Modest inventory adjustment

Growth challenge
Q1 inventory adjustment

Optimistic

Neutral

Cautious

Growth potential
Strong indicators

Growth potential
Consumer confidence

Investment decisions
Consumer confidence

Invibio® Biomaterial Solutions



Invibio Highlights

Continued growth in a challenging environment

- Record revenue and profit
- 55 additional long-term supply agreements in Americas (16), Europe (24) and Asia (15)
- Continued growth and innovation in spine
- Growth in emerging markets
- Additional focus on target markets

Invibio Income Statement

Revenue growth and strong margins

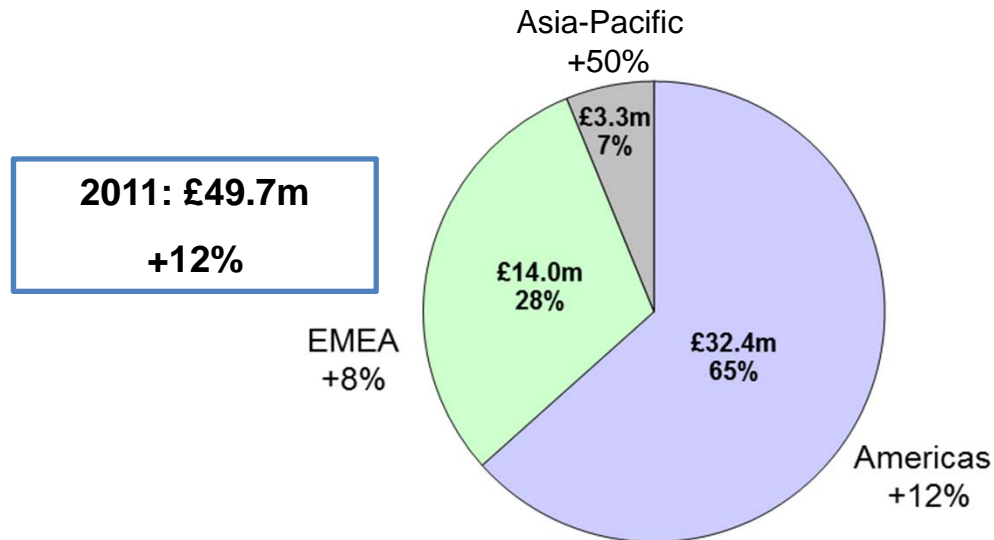
Year ended 30 September	2011 £m	2010 £m	Growth
Revenue	49.7	44.2	12%
Gross profit	43.9	39.7	11%
<i>Gross margin %</i>	88.4%	89.7%	<i>(1.3)% pts</i>
Overheads	(13.6)	(11.6)	17%
Operating profit	30.3	28.1	8%

- Sales revenue up 12% to a record of £49.7m
- Underlying gross margins remain strong
- Investment in resources drive future growth with increased market focus

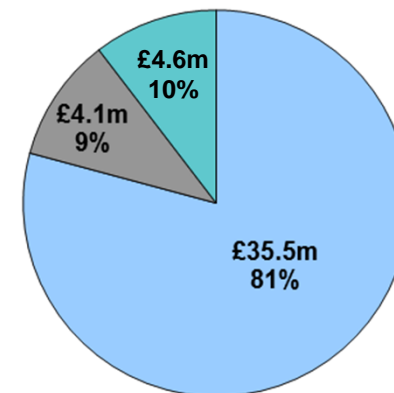
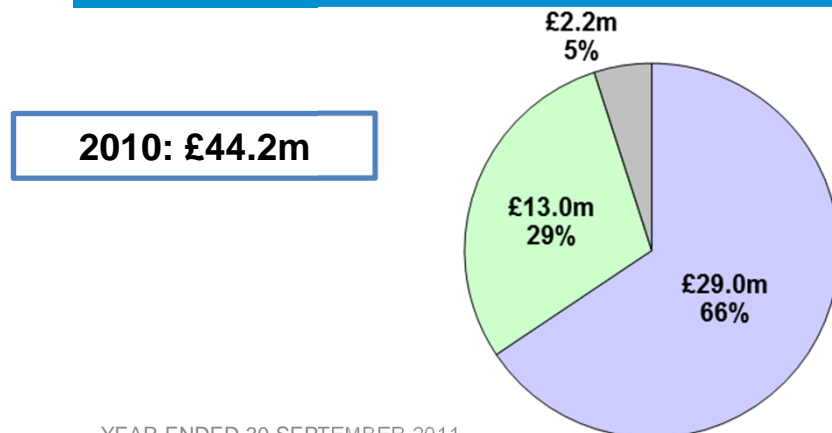
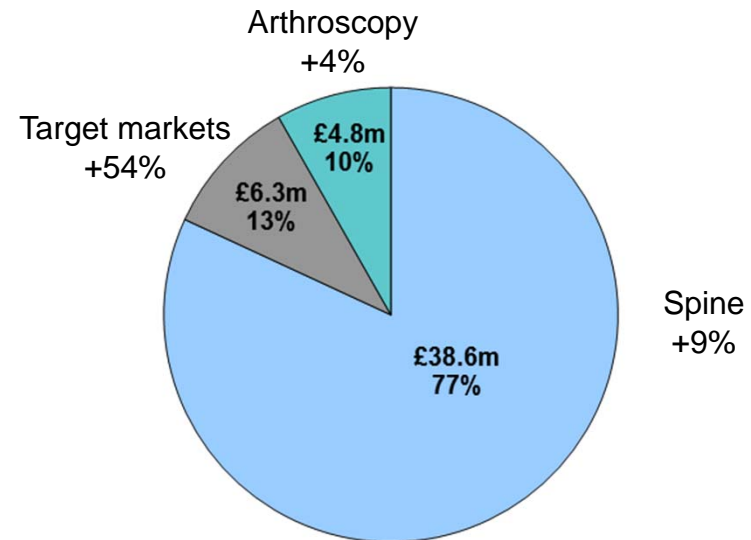
Invibio Key Markets

Strong growth in Asia-Pacific and target markets

Geographical Segments



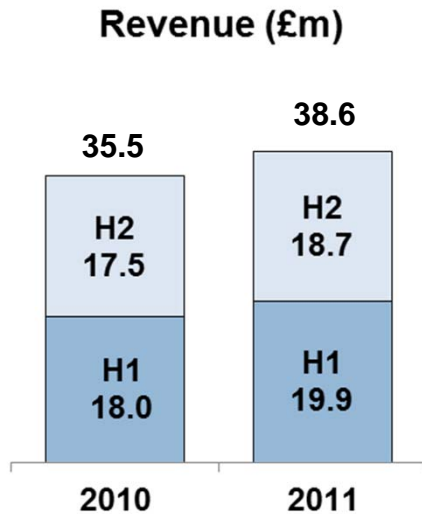
Market Segments



YEAR ENDED 30 SEPTEMBER 2011

Invibio Market Highlights - Spine

Spine revenue £38.6m (up 9% on 2010)



- PEEK-OPTIMA® continues to be the surgeons' choice in spinal fusion procedures
- Growth in emerging geographies
- Focus on fusion innovation
- Growth opportunities in cervical applications



GLIF® courtesy of Alphatec Spine



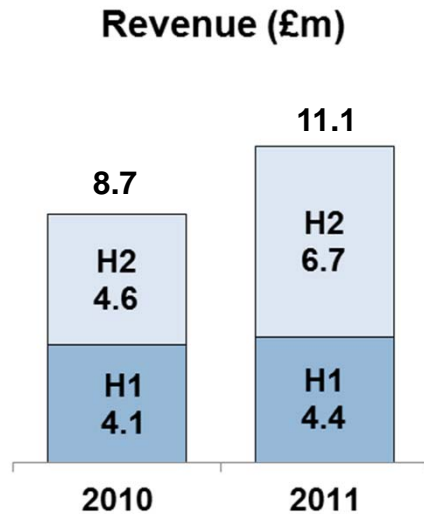
CoRoent® XL courtesy of NuVasive®



ROI-C® Cervical Cage courtesy of LDR

Invibio Market Highlights - Developing Markets

Developing markets revenue £11.1m (up 28% on 2010)



- Established use of PEEK-OPTIMA in shoulder arthroscopy
- Continued use of PEEK-OPTIMA in diverse applications
- European and US regulatory approval for ENDOLIGN® trauma implants



BIOSURE™ SYNC Tibial Fixation Device
courtesy of Smith & Nephew



Piccolo Composite™ Distal Volar Radius Plate
courtesy of CARBOFIX Orthopedics Ltd.

Invibio - Market Environment

	US	Europe	Asia-Pacific
Regulatory	Stabilising	Stable	Stable
Reimbursement	Transition	Stable	Transition
Procedural coverage	Transition	Stable	Growing

- FDA 510k approval process stabilising
- US and Asia-Pacific cost consciousness driving device pricing pressure
- US payer pushback continues to impact procedural coverage

Group Outlook

- VPS challenge
- Invibio growth
- Market expectations
- Financial strength
- Strong platform for growth