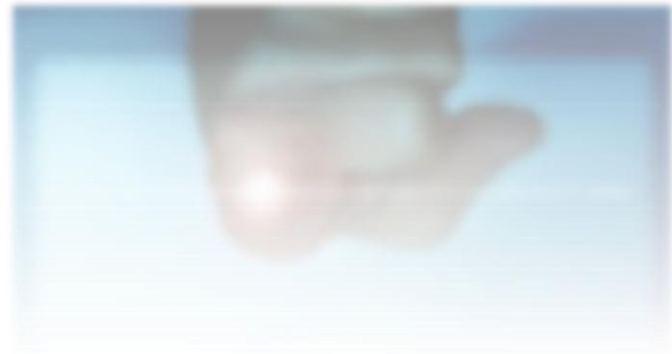




Preliminary Results for the year
ended 30 September 2011



December 2011



Contents

- Financial Results
- Group Revenues
- Touch
 - Touch Revenues by Fiscal Year
 - Examples of Touch Applications
 - Touch – Application Details
 - 2011 Touch Application Unit Sales
 - Sales Channel Network
- Sales - Other
- Financial Performance
- Developments
- Strategy
- Summary
- Appendices

Financial Results

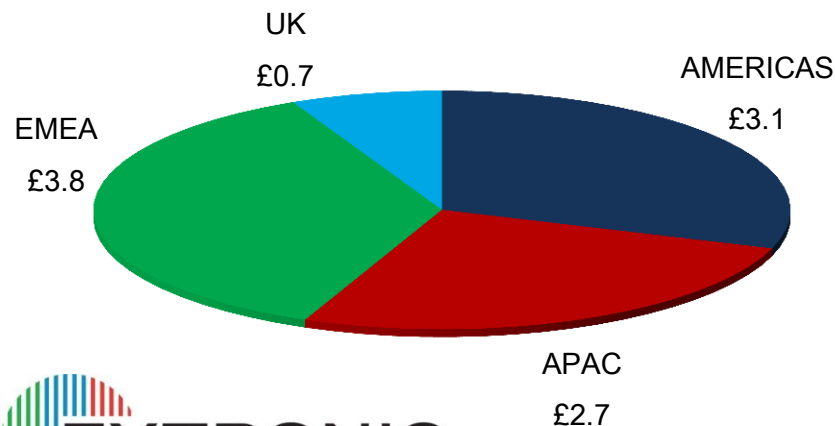
	Year ended 30 September	
	2011	2010
Turnover	£20.5m	£18.5m
Gross Profit	£6.9m	£5.9m
Gross Profit Margin	33.7%	31.9%
Profit before taxation	£3.6m	£2.9m
EPS	18.3p	14.9p
Full year dividend	7.7p	7.0p

- Revenue increased by 11% to £20.5m
- Touch revenue increased by 38% to £14.2m
- Touch revenue at 70% of group revenue (2010: 56%)
- PBT increased by 22% to £3.6m
- EPS increased by 23% to 18.3p
- Proposed final dividend of 5.6p (2010: 5.0p). Full year dividend increased by 10% to 7.7p (2010: 7.0p)
- Net cash inflow of £4.5m (2010: £3.8m)
- Group now ungeared (2010 gearing: 11%)

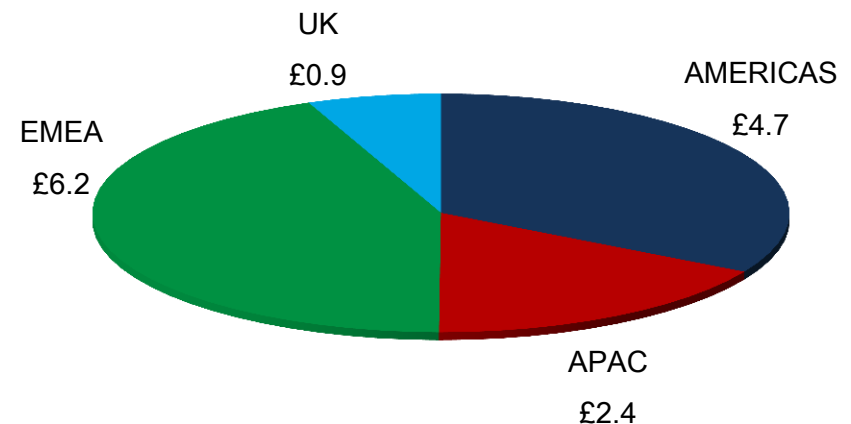
Group Revenues

- Total Revenue:
 - Sales revenue increased by 11% to £20.5m (2010: £18.5m)
 - Total export revenue increased by 13% to £18.8m (2010: £16.7m)
 - 92% exports compared with 90%
- Touch Revenue:
 - Sales revenue increased by 38% to £14.2m (2010: £10.3m)
 - Sales orders received during 2011 increased by 41% to £15.8m (2010: £11.2m)
 - Total export revenue expanded by 39% to £13.3m (2010: £9.6m)
 - 94% exports compared with 93%
 - Strong growth in EMEA & Americas; slight increase in UK but slight reduction in APAC

2010 Touch Revenue (m)

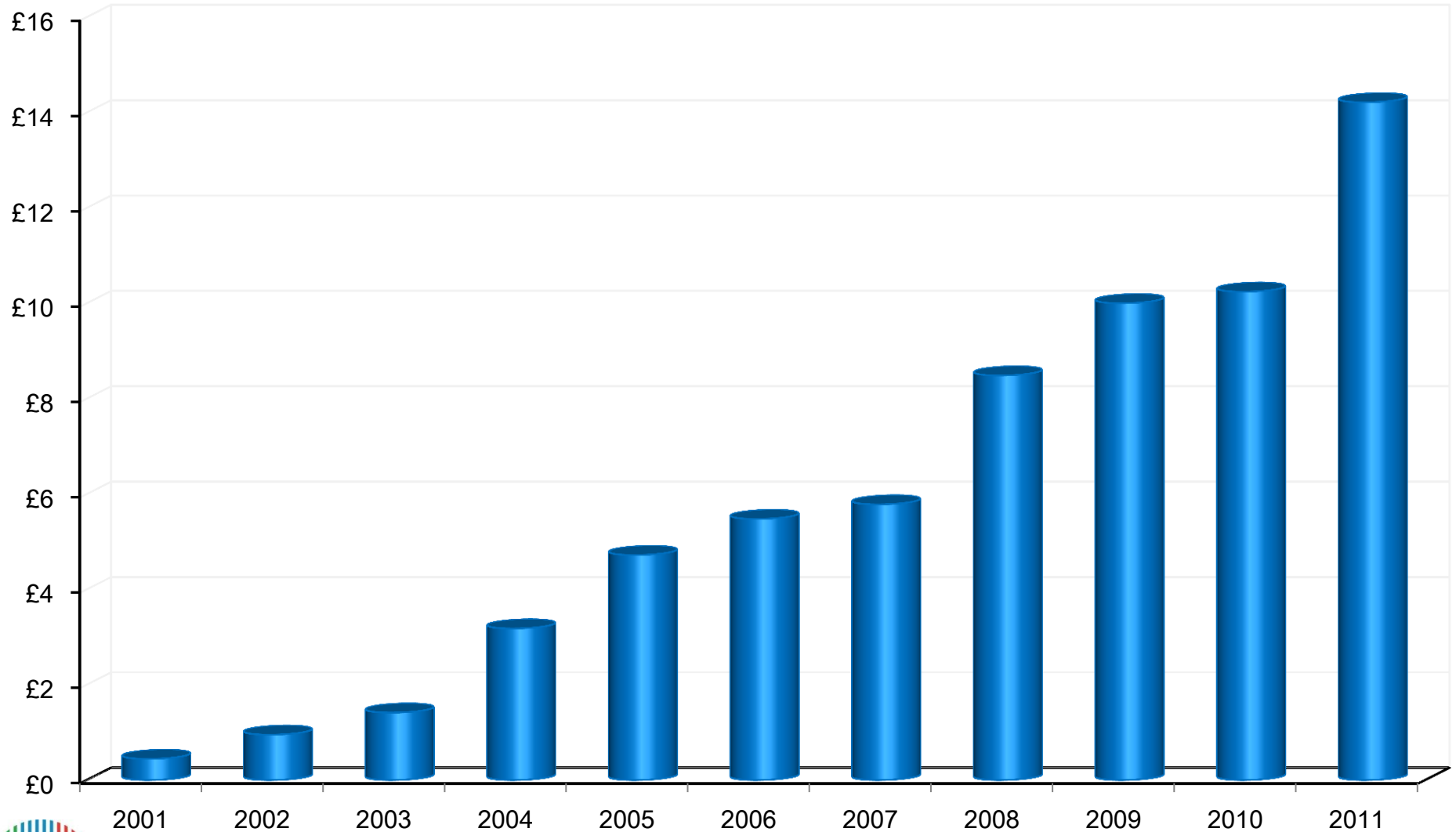


2011 Touch Revenue (m)



Touch Revenues by Fiscal Year

Millions



Examples of Touch Applications



Cooktop



Video Jukebox



Audio Playback System



Drive-Thru kiosk



Freestyle®



POI Unit



Payment Terminals

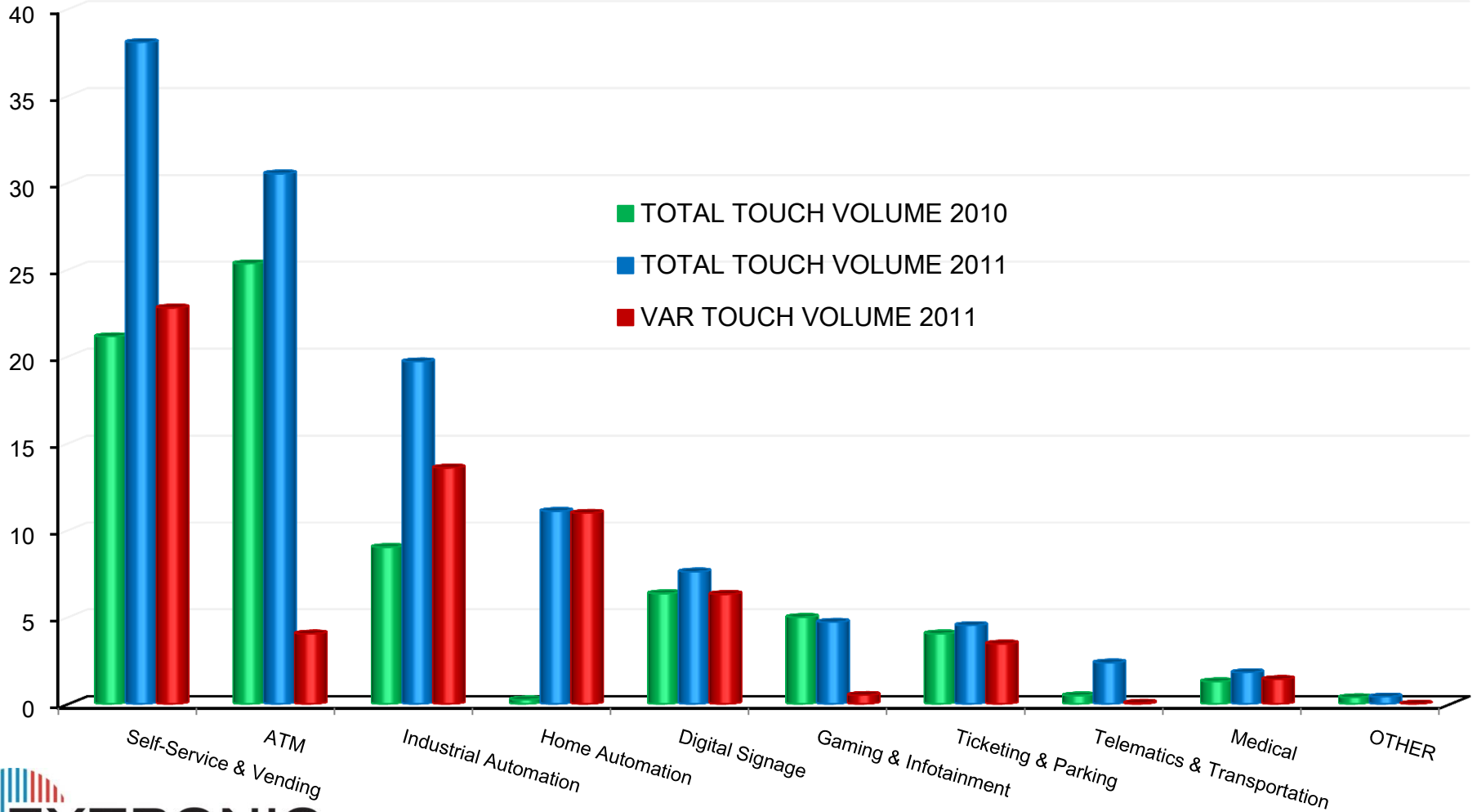
Touch – Application Details

- Self-Service & Vending
 - Fuel dispenser payment systems in Benelux
 - Home finance cash payment terminals in CIS territories
 - Coca-Cola Freestyle™ dispensers
- Home Automation
 - Bosch Siemens (BSH), induction cooktop under Gaggenau brand
- Industrial Automation
 - Ruggedised & durable information kiosks
 - Control system displays
- ATM customer units increase 20% over corresponding period
 - New multi-functional transactional (cash dispensing, depositing and recycling, plus cheque depositing) and informational ATMs
- Gaming revenues relatively level
 - No market return yet in deployments of Fixed Odds Betting Terminals (FOBT's)
 - Casino based terminal and player-table projects still progressing

2011 Touch Application Unit Sales

- Total volume of touch units produced increased by 65% to 121k (2010: 73k)

Units Thousands



Sales Channel Network

- Continued work with UKTI to evaluate new market opportunities
- Several Overseas Market Introduction Service (OMIS) reports and market visits in 2011
 - Thailand and China regions
- New Asia Pacific Sales Manager appointed
 - New targeted market for 2012 – Vietnam and Indonesia
- Representation in 39 countries
- Value added reseller (VAR) channels account for 52% of units sold (2010: 39%)

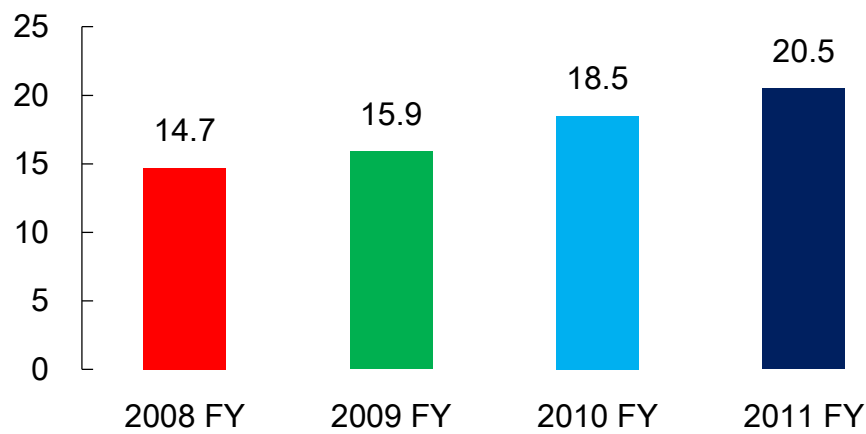


Sales - Other

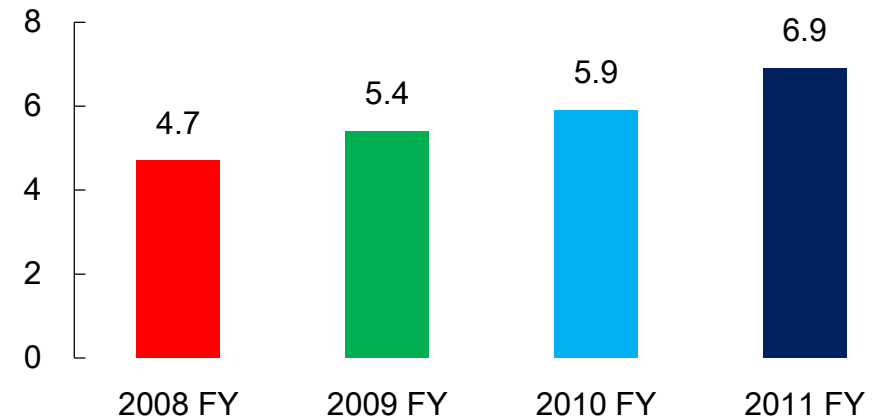
- Displays
 - In line with management expectations
 - 26% reduction from exceptional 2010: £7.1m to 2011: £5.3m
 - Absence of one-off benefits experienced in 2010
 - Price reductions following major product re-designs by Zytronic
 - Continual changes in mix of products ordered
- Visors, Laminates and Diffusers
 - 18% reduction from 2010: £1.1m to 2011: £0.9m
 - Completion of major London Underground infrastructure projects associated with the 2012 Olympics

Financial Performance

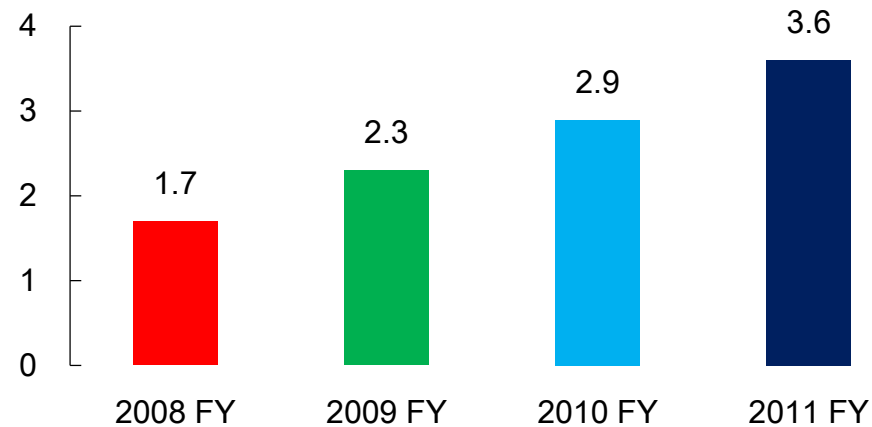
Revenue - £m



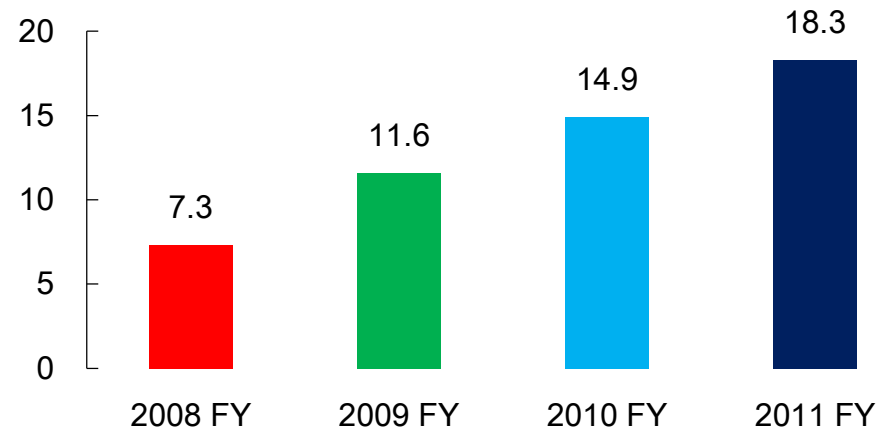
Gross Profit - £m



Profit Before Tax - £m

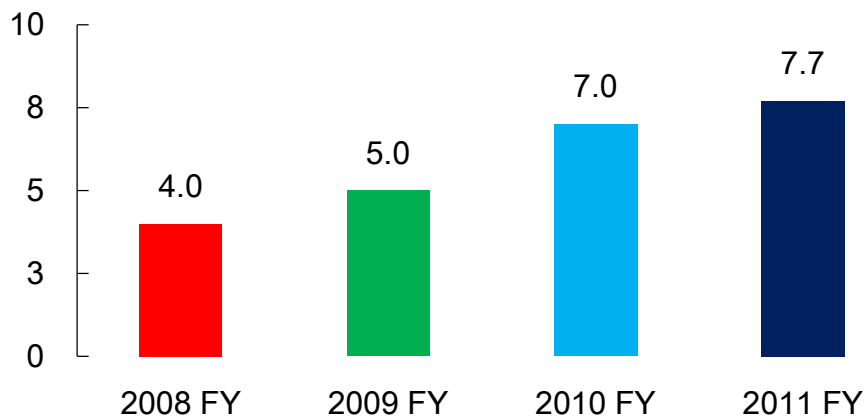


Earnings Per Share - p

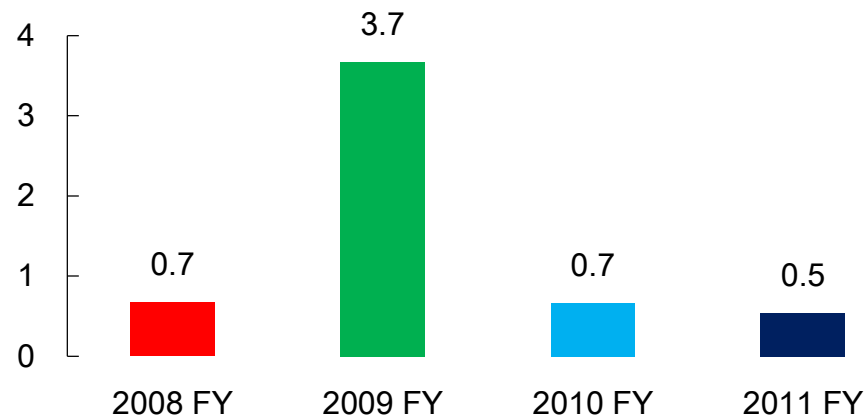


Financial Performance (cont'd)

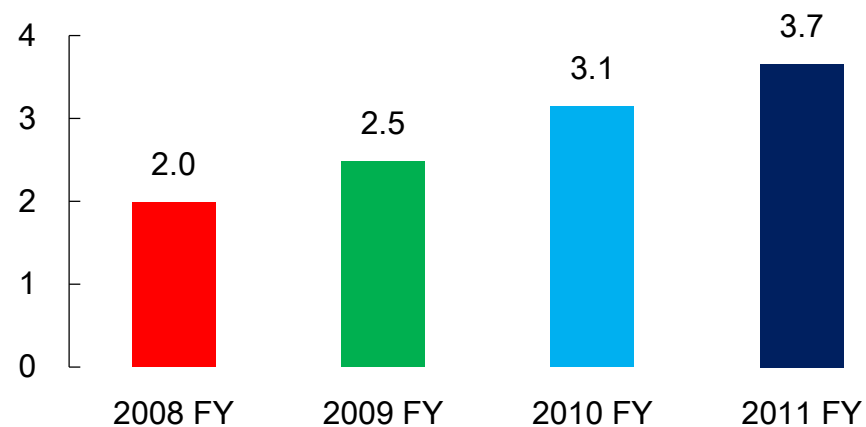
Dividend - p



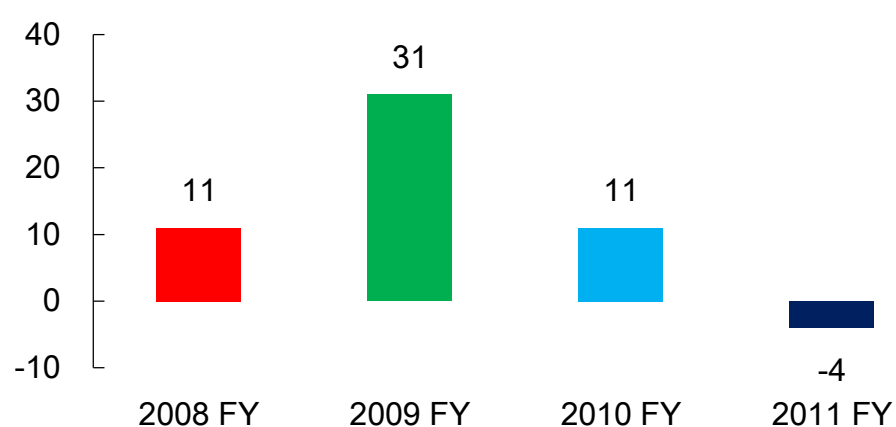
PP&E Capex - £m



Cash-Flow from Op Acts - £m



Gearing %



Financial Performance (cont'd)

- Income statement
 - Group revenue increased by 11% to £20.5m (2010: £18.5m)
 - Gross profit margin improved strongly to 33.7% (FY2010: 31.9%)
 - Admin expenses, excluding impairments, increased by 11% to £3.1m (2010: £2.7m)
 - Tax rate of 24% (FY2010; 25%)
- Capital Expenditure
 - Tangible & intangible capex of £0.8m
 - Depreciation & amortisation of £1.0m
- Cash position
 - Net cash at 30 September 2011 £2.6m (September 2010: £1.2m)
 - Net cashflow from operating activities increased from £3.1m to £3.7m, including increase in working capital of £0.1m
 - Payments on capital expenditure reduced slightly at £0.8m (FY2010: £0.8m)
 - Dividend payments increased from £0.9m to £1.0m
- Borrowings
 - Chattel mortgage and HP agreements paid off by 31 March 2011
 - Remaining debt of £2.1m consists of the balances on two 10 year property mortgages
 - RCF of £2.0m remains unused; available to 30 June 2012
 - Group now ungeared (2010 gearing: 11%)

Developments

- New sensor format launched in May 2011
 - Suitable for high volume, small size, competitively priced projects
- New suite of open source drivers
 - Win CE6
 - Linux variants
 - Windows Vista, Windows 7
 - Windows 8 in preparation
- Multi-Touch (multiple finger inputs)
 - >4 individual touches on the same sensor at the same time
 - Uniqueness in ultra large format PCT sizes
- Capacity
 - 65" laminator operational from December 2010
 - 32" laminator operational from January 2011
 - Original cleanroom facility refurbished and expanded; operational early January 2012

Strategy

- Continue growth of PCT™ developments for industrial and public access applications
- Continue expansion of the sales channel network
 - Increasing representation for regional China
 - New VAR appointments targeted for Mexico and Indonesia
- Continued expansion of the sales pipeline with more, larger sized projects in key applications. Field trial units already supplied for following programme deployments, some with potential of up to 40k units p.a.;

<u>Size</u>	<u>Application</u>
12"	Vending machines
15"	Medical devices
19"	Financial kiosk
22"	Interactive café tables
47"	Vending machines

Summary

- Profitable growth business with strong management
 - Strong financial performance
 - Increased cash generation
 - Increased EPS and progressive dividend growth
 - Net cash less borrowings
- Business expanded progressively – new products & new territories; manufacturing flexibility
- Competitive advantages:
 - Protected touch sensor IP
 - Successful history of product development
 - Technological development and innovation
 - Continuing development of R&D
- Good order inflow and strong pipeline of future opportunities

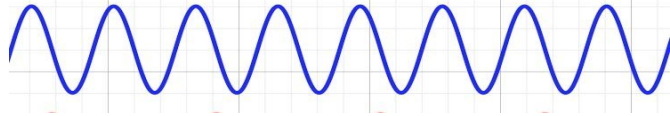
Appendices

The Business

Developer and manufacturer of a range of touch display interactive products

- Industry leader in development, design and manufacture of a range of patent protected touch sensors for industrial and public access markets
 - Products are based on patented projected self-capacitance technology (PCT™)
 - PCT™ offers significant durability, environmental stability and optical enhancement benefits
- Manufactures a range of complementary non-touch optical filters and other laminates
 - Three modern factories
 - State of the art, environmentally controlled clean rooms
- Supplies global market place

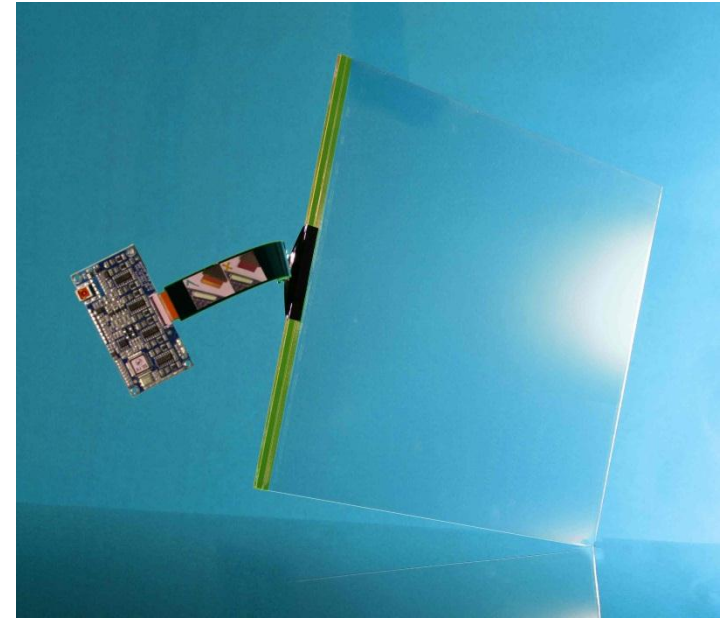
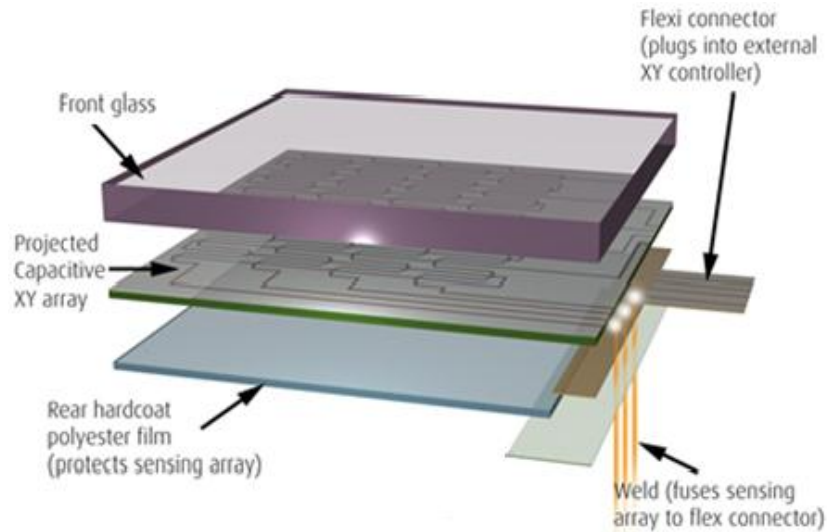
Zytronic's PCT™ Technology



Capacitive electrodes oscillate at a known frequency



Applying a finger due to the body's self-capacitance changes the frequency of oscillation. Measuring the change on an XY array, identifies the 2D touch point.



Saleable sensor and controller

Competition Comparison

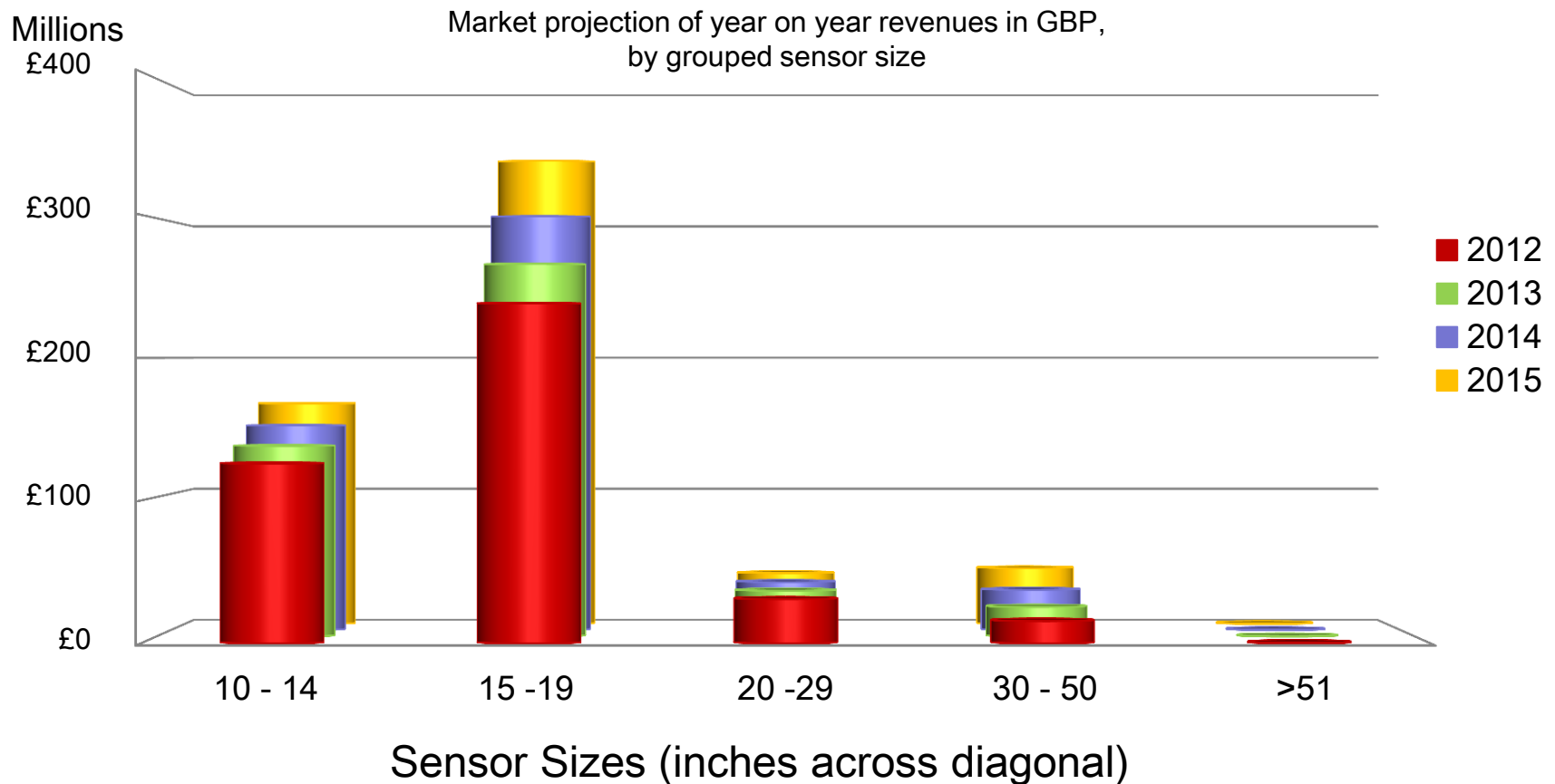
- Coined “Projected Capacitance Technology” in 2000 and trademarked as PCT™
- PCT™ products used in industrial and public access markets and not consumer markets
- Competing technologies are Acoustic, Surface Capacitive and Infra-Red touch

	Environmental				Touch				Physical				
	Surface Durability	Vandal Resistance	Dust/Water Resistance	Optical Clarity	Finger or Hand	Gloved Hand Input	Other inputs (pens etc.)	Dual-Touch Capability	Bezel-less Designs	Small Displays (<5")	Medium Displays (6-10")	Large Displays (10-40")	Ultra Large Displays (>42")
Projected Capacitive	GOOD	GOOD	GOOD	AVERAGE	GOOD	GOOD	AVERAGE	AVERAGE	GOOD	AVERAGE	GOOD	GOOD	GOOD
Surface Capacitive	AVERAGE	AVERAGE	POOR	AVERAGE	GOOD	POOR	AVERAGE	POOR	POOR	GOOD	GOOD	AVERAGE	POOR
Infra-Red	GOOD	AVERAGE	AVERAGE	GOOD	GOOD	AVERAGE	GOOD	GOOD	POOR	AVERAGE	AVERAGE	GOOD	GOOD
Acoustic	GOOD	AVERAGE	POOR	GOOD	GOOD	POOR	AVERAGE	AVERAGE	AVERAGE	GOOD	GOOD	AVERAGE	POOR
	GOOD				AVERAGE				POOR				

Opportunities by Sensor Size

Touch market predicts compound growth for applicable applications at 13.4% until 2015 (£600m)

Market projection information for the four competitive technologies:



Key Milestone Events

- 1999 Technology License signed for PCT™ product development
- 2001 First Commercial PCT based product to market – trade named ZYTOUCH® sensor
- 2002 ZYTOUCH design wins for ATM's (2 of the global top 3) and BT Webphone
- 2005 ZYTOUCH design wins for Petrol Pump applications; North American Sales Rep Network introduced, followed by agreements in EMEA and APAC (39 countries covered worldwide)
- 2006 ZYPOS® development started. Acquisition of new building for future ZYPOS manufacturing
- 2008 ZYPOS manufacturing facility operational. Begin electronics development programme of ASIC and ARM® processor for new touch controller
- 2009 ZYPOS design wins for new Coca-Cola Freestyle™ drinks dispensing machine and Aristocrat Indago™ gambling equipment
- 2010 ZXY100 Series controllers and chipset solution to market. Development of new ITO based sensor designs for higher volume applications
- 2011 Announcement of ZYPOS design win for Bosch Siemen's Gaggenau induction cooktop. Investment in additional equipment and cleanroom refurbishment to drive efficiency gains

Routes to Market



Total 39 Reps/VARs covering 39 countries

- 16 agreements covering Americas
- 14 agreements covering EMEA
- 9 agreements covering APAC

Areas to be investigated over next 2 years are:

- Mexico, Egypt, UAE, Thailand, China, Indonesia

Case Study

- PCT™ offers a one-fit solution including bezel-less designs, customisation and durability with embedded sensing with sensor sizes scalable from 6” to 84”
- Empowering solution for the emerging digital signage market with screen sizes > 46”



Indago™ Video Lottery Terminal

Aristocrat Indago™ Gaming design - case study

Design consultation with ACE Interactive UK, a subsidiary of Aristocrat

2 years from concept to production

Unique design features achieved:

- Large format single glass design of 37”
- Bezel-less design concept
- Impact resistance – 6mm toughened
- Durability – embedded sensor
- Dual monitor design with only bottom monitor interactive
- Logo and print customisations

Further new equipment and sensor designs with Aristocrat USA and Aristocrat Australia are proceeding

Target Markets

Vending & Digital Signage

Ultra Large Format, >37"

Our USP's:

- Printable graphics
- Durability



Home Controls & Appliances

Form & function (style)

Our USP's:

- Scratch resistant
- Touch through substrate

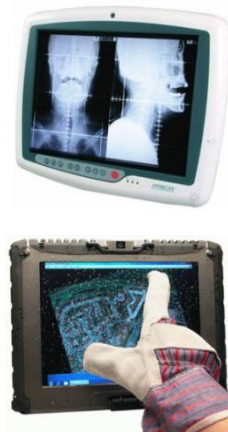


Industrial & Medical tablets

Increasing acceptance due to iPad effect

Our USP's:

- Full glass face (no bezel)
- Impact resistant/gloved operation



Automotive

Reducing complexity (safety)

Our USP's:

- Curved surfaces
- 'Gesture' recognition



Board Biographies

Chief Executive Officer - Mark Cambridge , B.Sc (Hons)

Mark graduated in 1986 in Materials Science and has a Securities Institute Certificate in Corporate Finance (2003). He has held the positions of Technical & Quality Director, Sales and Marketing Director and is now the Managing Director of Zytronic Displays Limited the operating subsidiary. On 1 June 2007, Mark was appointed to the board of Zytronic Plc. and subsequently to Chief Executive on 21 January 2008.



Finance Director - Denis Gerald Wilson Mullan, B.Sc., FCA

Denis is a former partner in Ernst & Young LLP, specialising in corporate finance. He was based successively in its offices in London, Newcastle upon Tyne and finally Bristol. While based in Ernst & Young's Newcastle upon Tyne office, he led the work on the demerger of Zytronic Displays Limited in June 2000 from the parent company and the subsequent admission to AIM of Zytronic Plc in July 2000. He joined Zytronic in August 2003.



Non-Executive Chairman - Tudor Griffith Davies , B.Sc

Tudor has over twenty years listed company experience as a Director of Castle Support Services plc, Chairman of Dowding & Mills Plc, Chairman of Stratagem plc, Chairman and Chief Executive of Hicking Pentecost Plc, and a Non-Executive Director of Scottish Highland Hotels Plc.

Senior Independent Non-Executive Director - Sir David Robert Macgowan Chapman Bt., DL, B Comm.

Sir David is a former Director of Northern Rock plc, the London Stock Exchange and was a member of the Greenbury Committee on Corporate Governance. Sir David is currently a consultant with UBS Wealth Management (UK) Limited.

Independent Non-Executive Director - David John Buffham

David worked at the Bank of England (the "Bank") for 32 years until 2010. Most recently he was the Bank's Agent for the North East of England for nine years. David is a non-executive director of Newcastle Building Society, is a governor of Northumbria University and is also a visiting fellow at Teeside University.