



Preliminary Results
Year ended 31 December 2007
27th February 2008

Nigel Rogers, Chief Executive

Colin Wilson, Finance Director

2007 Highlights

Revenue

- Growth in line with market expectations
- Increase in revenue, margins and cash flow
- 9% currency inflation in average US\$ rate

Cash

- Strong operating cash flows
- Sale of surplus freehold property
- Net borrowings reduced to £0.5m

Market Development

- Market sector growth – medical and personal care
- Stadium Asia facility enhancement
- Stadium Power acquisition of Ferrus Power

- Board Appointment – Colin Wilson, Finance Director

Trading Environment

UK

Inflation increasing

Credit tightening

Retail volumes holding up

Forecast slowdown in end markets (Stadium not yet seeing evidence)

US

Similar to UK

Receptive to offshore manufacturing proposition

Increased awareness of environmental, social and product quality issues

Asia

Rapid social changes

Increased regulation and spotlight on ethical business

Low tech manufacturers migrating inland

Continued support for exporters with technology and/or IPR to offer

**Stadium Group plc
Preliminary Results 2007**

Colin Wilson, Finance Director

Revenue up 6% to £40.76m (2006: £38.55m)

PBT (before property gains) up **23%** to £2.66m

Earnings per share up by 17% to 7.4p (2006: 6.3p)

Final dividend increased by 4% to 2.55p (2006: 2.45p)

Cash flow from trading activities £4.84m (2006: £1.94m)

Net bank borrowings reduced to £0.50m (2006: £4.38m)

Income Statement

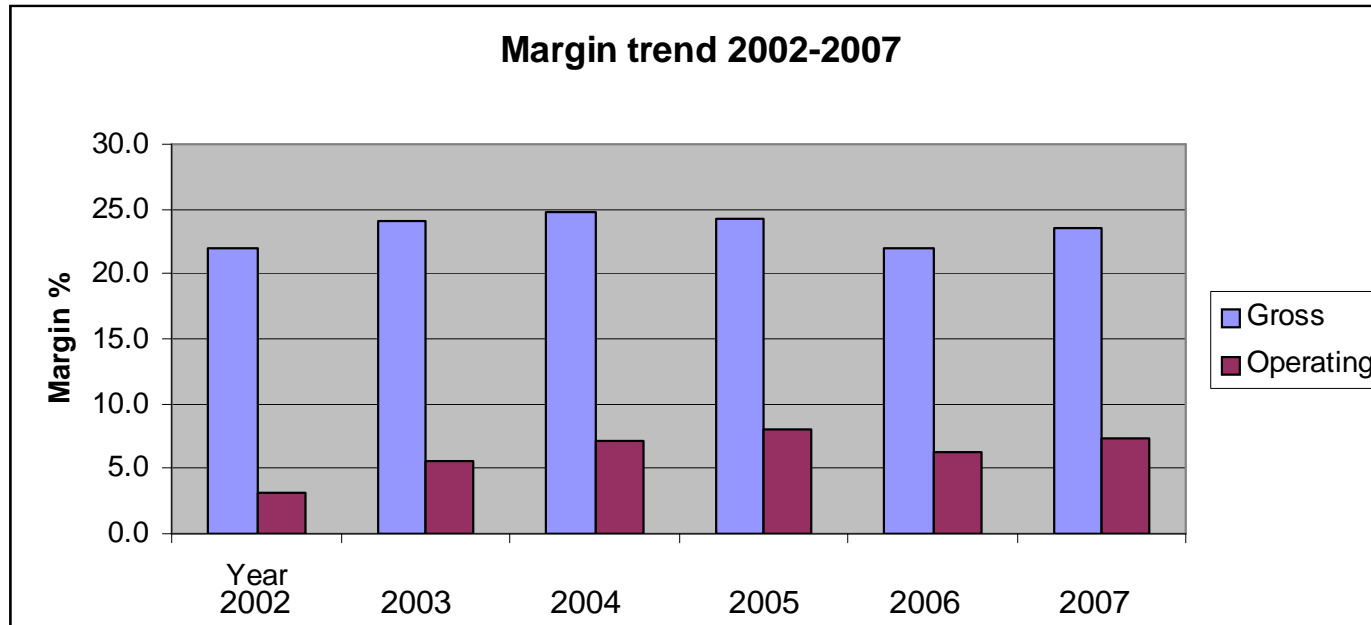
	31-Dec 2007 £000's	31-Dec 2006 £000's Restated
Revenue	40,756	38,552
Cost of sales	(31,145)	(30,059)
Gross profit	9,611	8,493
Other income	439	429
Operating expenses	(7093)	(6499)
Operating profit	2,957	2,423
Finance costs	(294)	(262)
Profit before tax and sale of property	2,663	2,161
Profit on sale of property	97	340
Profit before tax	2,760	2,501
Taxation	(521)	(341)
Profit for the year	2,239	2,160
Basic earnings per share	7.8p	7.5p
Adjusted for property sales	7.4p	6.3p
Statement of group total recognised income and expense		
Actuarial loss in pension scheme net of deferred tax	(444)	(298)
Net expense recognised directly in equity	(444)	(298)
Profit for the year	2,239	2,160
Total recognised income and expense for the year	1,795	1,862

Half 1, Half 2 Splits

	<u>2007 H1</u>	<u>2007 H2</u>
	<u>£m</u>	<u>£m</u>
Revenue	19.87	20.88
PBT*	1.24	1.42
EPS*	3.6p	3.8p
Trading cash flow	2.00	2.84
US\$ rate – opening	1.96	1.96
US\$ rate – average	1.97	2.02
US\$ rate – closing	2.00	1.98

*Denotes before property gains

Margin Trend



Targeted recovery to 25% gross, 8% operating margin

Summarised cash flow

Stadium Group plc

	<u>2007</u> <u>£m</u>	<u>2006</u> <u>£m</u>
Operating Profit	2.96	2.42
Working capital	1.04	(1.42)
Fixed assets (net of depreciation)	0.19	(0.82)
Tax	(0.11)	(0.39)
Dividends	(1.05)	(1.02)
Acquisitions	(0.67)	(0.57)
Sale of properties	2.85	0.69
Pensions	(1.05)	(1.09)
Other	(0.27)	(0.12)
Debt reduction / (increase)	<u>3.89</u>	<u>(2.32)</u>

Working Capital

- Inventory turns up to 6.1x (2006: 5.1x)
- Debtor days at 63 (2006: 61)
- Net working capital reduced by £1.01m to £4.62m (11.3% of sales)

Summarised balance sheet

Stadium Group plc

	2007	2006
	<u>£m</u>	<u>£m</u>
Fixed assets	8.18	11.12
Working capital	4.62	5.63
Cash/overdraft	0.46	(1.14)
Deferred consideration	0.52	-
Loans	(0.96)	(3.25)
Net pension liability	<u>(4.13)</u>	<u>(4.44)</u>
Total equity	<u>8.69</u>	<u>7.92</u>
Gearing	6%	55%

Business Development

- Medical and personal care sector growth
- Enhanced capabilities in Asia
- Key customer partnership development
- Sales and marketing activity

Operations

- Implementation of lean activities in the UK
- Focus on efficiency in 2008
- Improved quality, service and cost
- New labour laws in Asia
- Full medical approval expected Q2 2008



Stadium Power

- Acquisitions: KRP 2006; Ferrus Power 2007
- Integration progressing well
- Approaching 20% of Electronics sales
- Critical mass in products, service and management
- New product launches in 2008



Outlook

- Strong finish to 2007, momentum carried into Q1 2008
- Sales and order book healthy
- Economic outlook uncertain
- Cautiously optimistic
- Actively seeking acquisition targets

Appendix

Stadium ELECTRONICS, POWER & ASIA

	<u>2007</u> <u>£m</u>	<u>2006</u> <u>£m</u>
Sales by source		
Asia	21.07	21.26
UK	8.34	6.70
Total	<u>29.41</u>	<u>27.96</u>
EMS	25.31	24.62
Power	4.10	3.34
Total	<u>29.41</u>	<u>27.96</u>
Operating profit	<u>2.46</u>	<u>1.87</u>
Operating margin	<u>8.4%</u>	<u>6.7%</u>

Branded PLASTICS

	<u>2007</u> <u>£m</u>	<u>2006</u> <u>£m</u>
Sales		
Babycare	5.02	4.95
Building Products	6.33	5.65
Total	<u>11.35</u>	<u>10.60</u>
Operating profit	<u>0.80</u>	<u>0.85</u>
Operating margin	<u>7.1%</u>	<u>8.0%</u>

Sales

Babycare stable
 Ventilation reducing
 New business with retail multiples
 New export business

Margins

Increased operating costs
 Margin dilution through volume

Revenue by market sector

Stadium Group plc

	2007 £m	2006 £m
Consumer	19.91	24.75
Industrial	12.88	9.63
Medical & personal care	4.67	0.90
Automotive	3.09	3.08
Telecom	0.05	0.20
Other	0.16	0.04

Revenue by destination

Stadium Group plc

	2007	2006
	£m	£m
UK	24.46	24.22
Europe	7.19	2.65
Americas	3.60	4.77
Asia	2.57	4.22
Other	2.94	2.70

Sale of Freehold Property



- Sold major portion of freehold site at Hartlepool to property investors
- Site sale completed December 2007
- Retained Electronics factory and office accommodation for own use
- Impact of sale:

	Annual pro-forma £m
Rental income foregone	(0.4)
Cost savings:	
Rates, insurance etc.	0.1
Depreciation	<u>0.1</u>
Reduction in annual operating profit	(0.2)
Interest saving on proceeds	<u>0.2</u>
Net effect to P&L	<u>Nil</u>

Provides cash resources and de-risks balance sheet

Major Shareholders

Gartmore	13.10%
Framlington	12.30%
AE Fry	5.00%
Chelverton	4.10%
DC Fry	3.60%
AE Wiseman	3.21%