

Making customer communication

2012 results presentation

March 2013



Our vision

To be the UK market leader
in personalised customer communication



Objectives and Strategy

To be the leading UK provider of personalised customer communication services

To deliver over the next three years:

- a double digit margin on revenue (excluding pass through)
- 20% of revenues from non-UK sources whilst continuing to grow UK sales

Organic growth and niche acquisitions

Acquisition strategy

- Specialist areas with cross-selling potential and higher margin.

Operational Highlights

2012 another successful year

Growth

- Significant new multi-year contracts
 - Building societies - Nationwide and Yorkshire
 - Utilities - BT and Thames Water
- Contract extension with financial services client
- 3 acquisitions expanding design and digital services
- Favourable market trends

Diversification

- More revenues from non-financial sectors and overseas

Operational excellence

- Market leading technology driving efficiency and innovation
- Ongoing cost reduction
- Growing presence of on-site teams

Financial Highlights

2012 another successful year

Financial

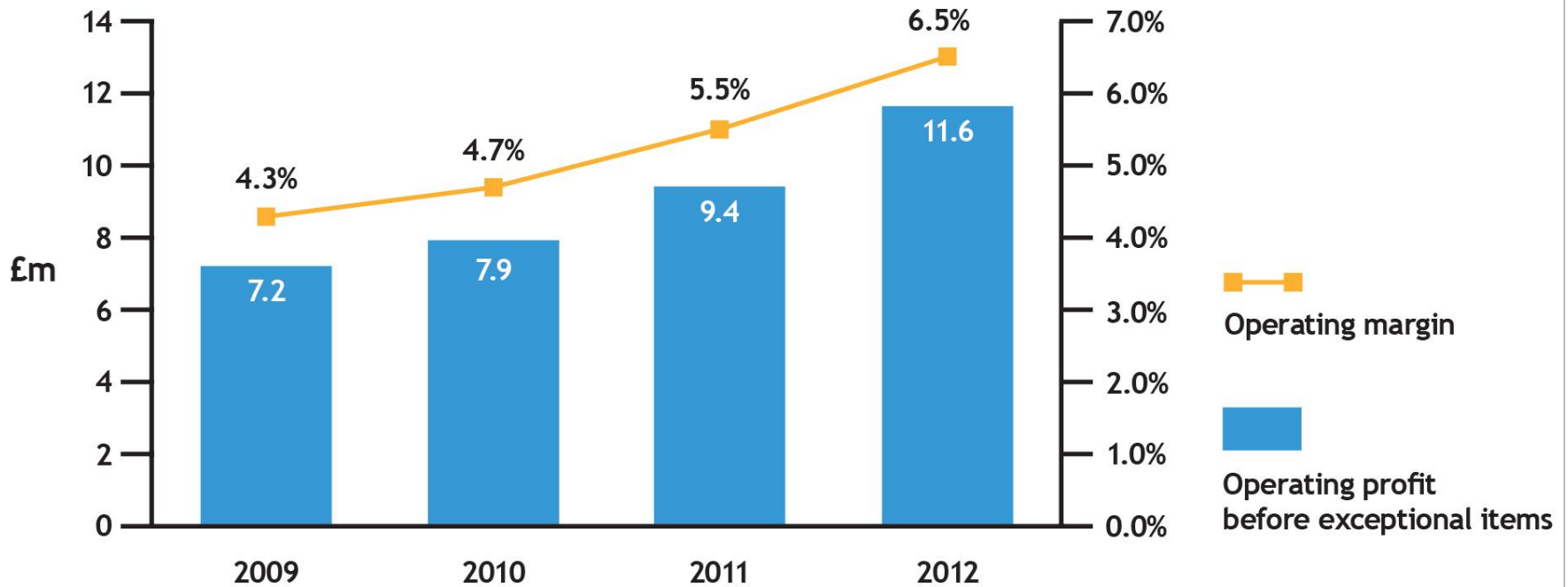
- Operating profit before exceptionals **+23% to £11.6m**
- Operating profit before exceptionals and amortisation **+24% to £12.3m**
- Overseas revenues **up from 4% to 7%**
- Operating margin **up from 5.5% to 6.5%**
- Adjusted eps **+19%**
- Dividend **+10%**
- Free cash flow **£6.6m**
- Net debt reduced **down to £20m**
- Pension funding deficit **£9.8m lower with cash benefits**

Growth capital

- £20m raised - substantially oversubscribed

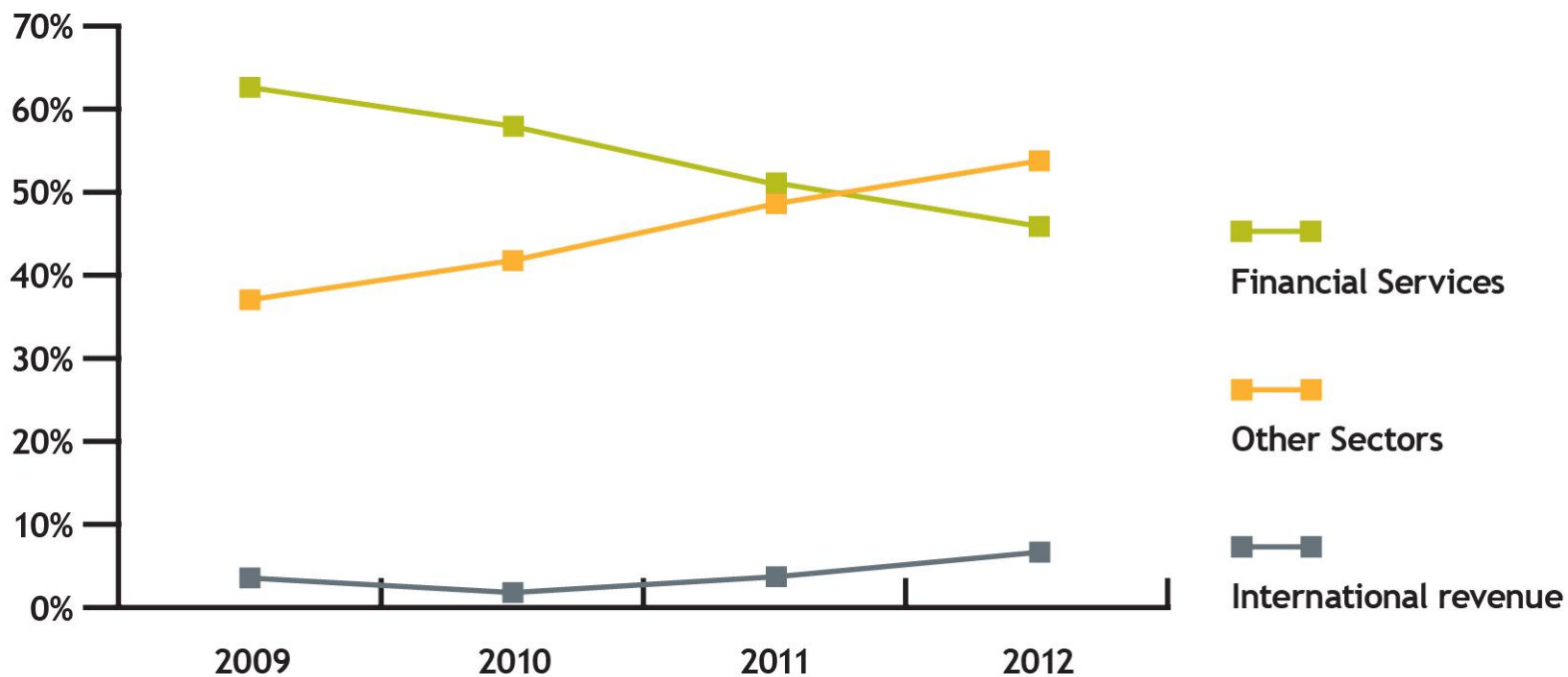
Financial Results

Progress towards double digit returns



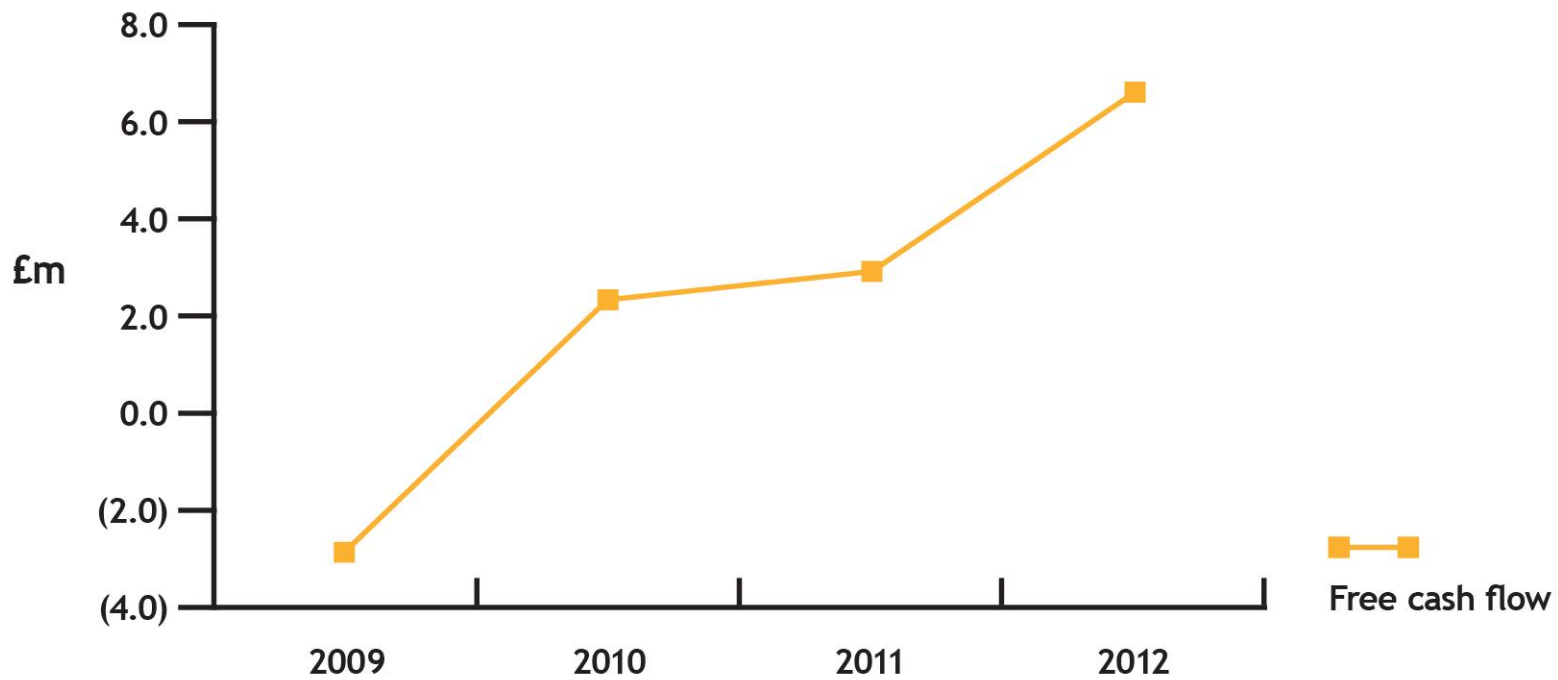
Financial Results

Sources of revenue



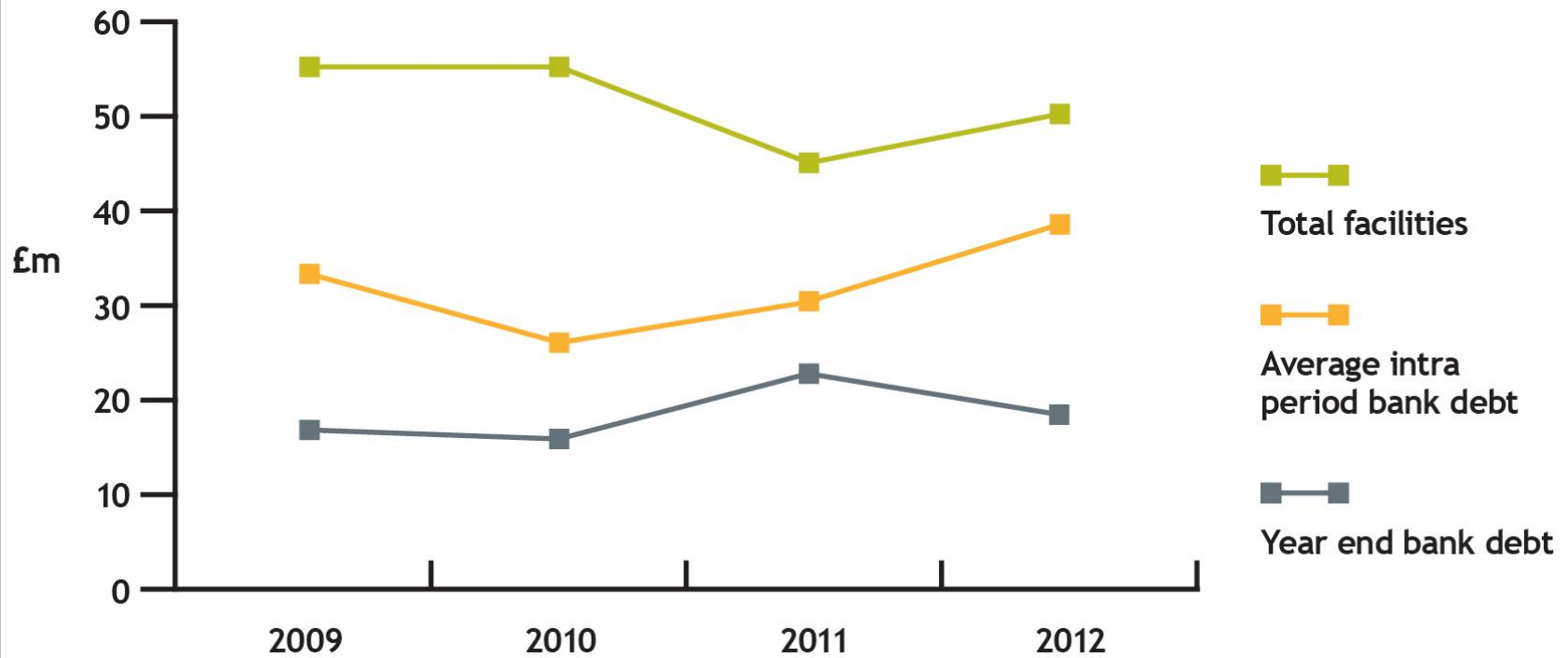
Financial Results

Free cash flow



Financial Results

Bank debt and facilities utilisation



Integrated services

| | Communications Strategy | Software Production | Content Creation | Insight & Measurement | Artwork/Studio | Data Services | Print & Digital Print | Postal | Multi channel | Cheques | Inbound Processing | Campaign/Print Management | Supply Chain | Marketing Technology | Logistics |
|-----------------|-------------------------|---------------------|------------------|-----------------------|----------------|---------------|-----------------------|--------|---------------|---------|--------------------|---------------------------|--------------|----------------------|-----------|
| Bank1 | | | Y | | Y | Y | Y | | | Y | | Y | Y | Y | |
| Bank2 | Y | Y | Y | Y | Y | Y | Y | Y | Y | Y | | Y | Y | Y | Y |
| Retailer | | Y | Y | Y | Y | Y | Y | Y | Y | | | Y | Y | Y | Y |
| Utility | | | Y | | Y | Y | Y | Y | Y | | | | Y | | |
| Mutual 1 | | Y | | Y | Y | Y | Y | Y | | | Y | Y | Y | Y | Y |
| Government body | | Y | Y | | Y | Y | Y | | Y | | | Y | Y | Y | Y |
| Insurance | | Y | Y | Y | | Y | | | | | | | | | |
| Telecoms | | | | | | Y | Y | Y | | | | Y | Y | Y | Y |
| Bank 3 | | | | | | Y | Y | Y | | Y | | | | | |
| Bank 4 | | | | | | Y | Y | | | Y | | | | | |
| Mutual 2 | Y | Y | Y | | Y | Y | Y | | Y | Y | Y | Y | Y | Y | Y |
| Bank 5 | | | | | Y | Y | Y | Y | Y | Y | | Y | Y | Y | Y |
| FMCG | | | | | | | | | | | | Y | Y | Y | Y |
| Bank 6 | | | | | | Y | Y | | | Y | Y | | Y | | |
| Mutual 3 | | Y | Y | | Y | Y | Y | | Y | | Y | Y | | | |
| Supermarket | | Y | Y | | Y | Y | Y | | Y | | Y | | | Y | |

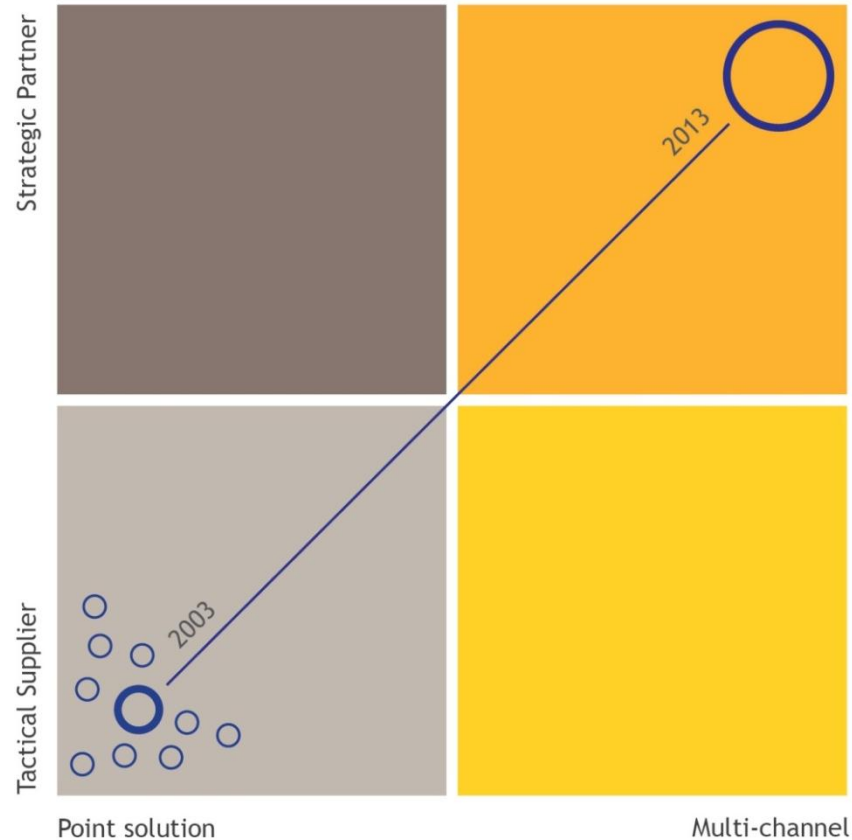
Design
 Produce
 Deploy
Y Services delivered

Case study: Growing relationships

- Communisis
- Competitors

Services

Passbooks
AGM Mailing



Services

Multi-channel output
Marketing Technology Solution
Transactional Production
POS management
Studio
Print management
Chequebooks
Passbooks
AGM Mailing

Investment case

Management team with record of achievement and strategy for growth

- Continued move into higher margin business areas
- Benefits of operational gearing following period of investment in leading technology
- International expansion alongside existing customers
- Further penetration into existing, leading brand clients
- Market share gains - differentiated offer and competitive position
- Bidding on a strong pipeline of new business
- Progressive dividend policy