Lupus Capital plc

Results Presentation

Year Ended 31 December 2009

Agenda

- Overview
- 2009 Financial Review
- 2009 Trading Review and 2010 Outlook
- Strategic Questions
- Appendices

  A Debt Facilities

  B Group Businesses

Overview

2009 Overview

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- Creditable 2009 sales performance given wider market
  - Housing markets for both new build and RMI remained depressed and activity levels low
  - Sustained strong performance from Gall Thomson
- Prompt actions taken to mitigate the effect on operating profits
- Significant reduction in net debt
- New CEO and Non Executive Team
- 2010 has started steadily, however there is as yet little visibility of future trading trends
- Well positioned to take advantage of any increase in activity levels
- Group now positioned for growth as the cycle turns – long term fundamentals remain attractive
  - Regulatory Environment
  - Demographics
  - Geography
  - Product Positions

2009 Financial Review

Financial Highlights

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	2009 Reported £'000	*Margin* %	2008 at '09 Rates £'000	2008 Reported £'000	*Margin* %
Revenue	**241,621**		**293,256**	266,559	
2009 Variance versus 2008			***(17.6)%***	*(9.4)%*	
Gross profit	**80,517**	*33.3%*	**98,832**	90,893	*34.1%*
2009 Variance versus 2008			***(18.5)%***	*(10.6)%*	
Underlying operating profit	**25,598**	*10.6%*	**41,019**	36,619	*13.7%*
2009 Variance versus 2008			***(37.6)%***	*(28.2)%*	
Underlying profit before tax	**15,718**	*6.5%*	**30,490**	27,685	*10.4%*
2009 Variance versus 2008			***(48.4)%***	*(40.7)%*	
Net debt	**(111,013)**		**(132,739)**	(145,321)	
2009 Variance versus 2008			***(16.4)%***	*(23.6)%*	
Net cash inflow from operating activities	**36,451**		*n/a*	30,873	
Variance	***18.1%***				
Underlying earnings per share	**9.39p**		*n/a*	14.83p	
Variance	***(36.7)%***				

"underlying" is defined as before amortisation of intangible assets, deferred tax on amortisation of intangible assets, exceptional items, unwinding of discount on provisions, amortisation of borrowing costs and the associated tax effect.

2009 Group Financial Highlights

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- Revenues decreased 9.4% to £241.6 million (2008: £266.6 million)
- Limited fall in gross profit margins to 33.3 per cent. (2008: 34.1 per cent.)
- Underlying operating profit of £25.6 million (2008: £36.6 million), reflecting the actions taken to realign the cost base
- Underlying earnings per share decreased to 9.39p per share (2008: 14.83p)
- Operating cash conversion of 142 per cent., (2008: 84 per cent.) reflecting focus on working capital
- Reduction in net debt of £34.3 million; £14.7 million of debt reduction relates to exchange rates
- Minimal pension and post retirement healthcare benefit deficit - £7.5 million

2009 Trading Review
and 2010 Outlook

2009 Revenues

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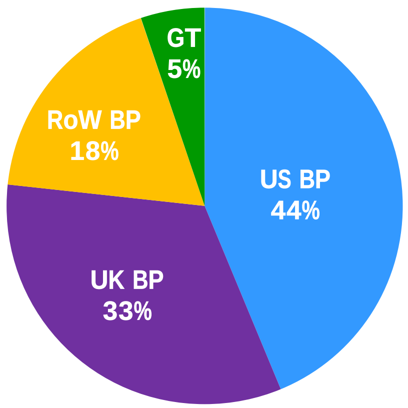
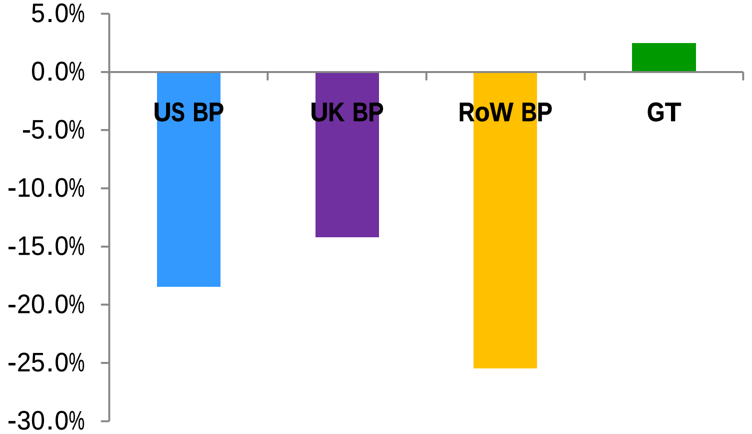
2009 Sales by Sector

Total Sales £241.6 million



Constant Currency % Change in 2009 Sales



Note: %age change on a constant currency basis

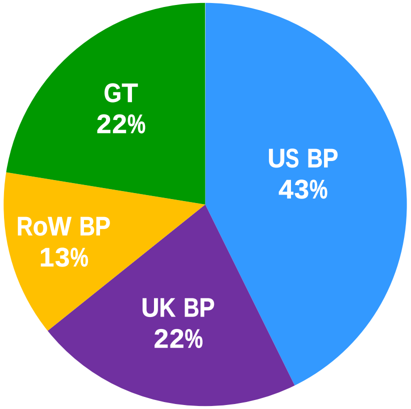
- 2009 was a difficult year across our Building Products Businesses worldwide
- Building Products Revenues down 10 per cent. at £229.0 million - equivalent to a decrease of 19 per cent. in constant currency terms
- Modest growth in Gall Thomson – pleasing given the nature of the Oil Services market in 2009

2009 Operating Profit

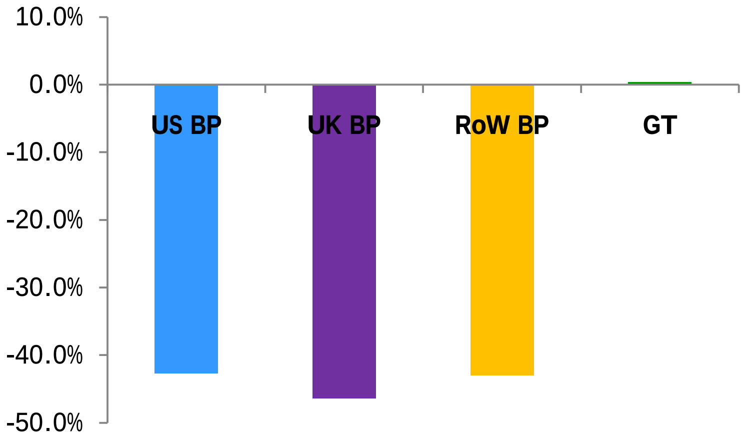
LUPUS CAPITAL

2009 Operating Profit by Sector

Total Operating Profit - £25.6 million



Percentage Change in 2009 Operating Profit



Note: %age change on a constant currency basis

- Prompt actions by management through 2009 reduced the impact on operating profit – which was still significant
- Administrative overheads across the Group were reduced by £3.5 million, or 5.0 per cent. of Administrative Expenses
- Gall Thomson again made a significant contribution to the Group's profits

2009 Building Products Actions

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- Headcount reductions – down 28 per cent. since December 2007
- Flexed headcount to allow short-time for both direct and indirect labour
- Compulsory two weeks unpaid leave in the US
- Focus on credit worthiness of customers to minimise bad debt risk
  - Bad Debts w/o in 2009 were 0.25 per cent. of sales
- Tight control over working capital
  - Inventories reduced by 30 per cent. or £10.8 million
  - Trade Receivables reduced by 17 per cent. or £5.0 million
  - Trade Payables only reduced by 13 per cent. or £2.7 million

Close control over staffing levels, costs and cash

2009 Site Rationalisation

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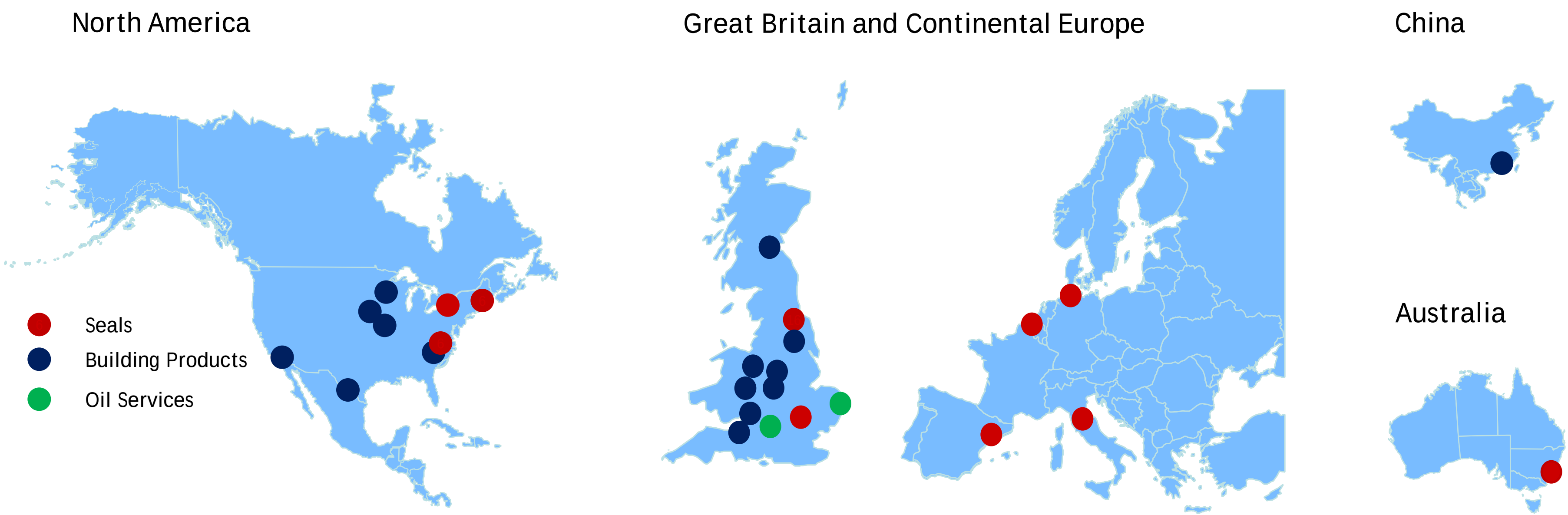
Lupus Capital plc Geographical Footprint



- Site Rationalisation Programme
  - Conversion of Chinese manufacturing to a sourcing operation
  - Juarez, Mexico plant now operating at increased production levels
  - Relocation of Chicago springs plant to Statesville
  - Merger of ERA and LSH businesses to create ERA Security Hardware

US Building Products – Key Drivers

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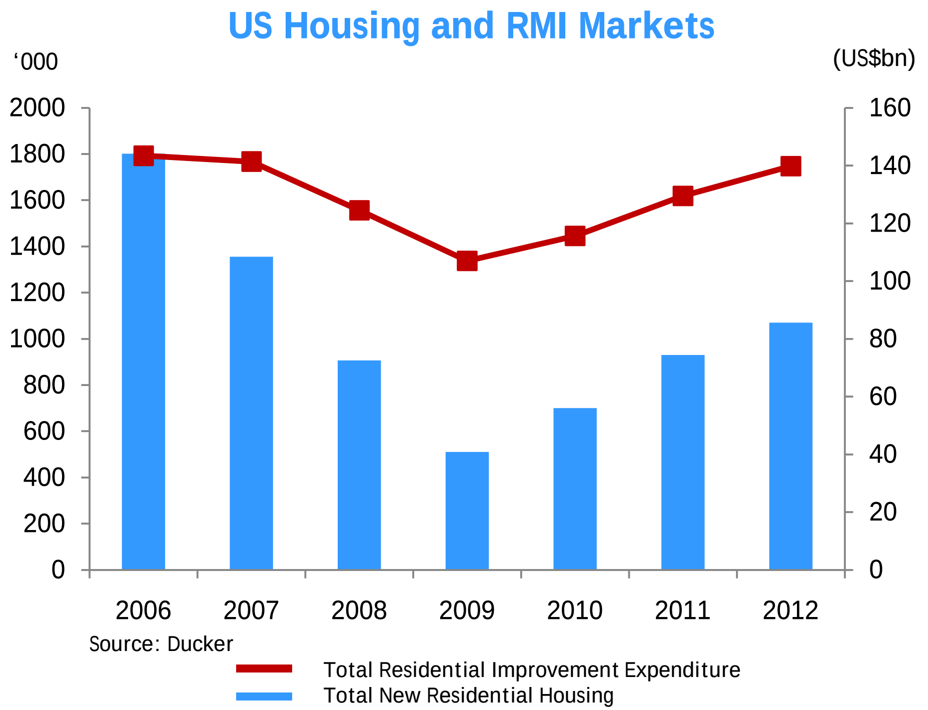

Source: Ducker

- Key driver for the US market is levels of new build activity. RMI is broadly correlated to Housing Starts
- Industry forecast is for a strong recovery in new build market over the next three years. RMI activity is also expected to pick up
- We believe that these forecasts, while encouraging, may be too optimistic

US Building Products - 2009 Financials

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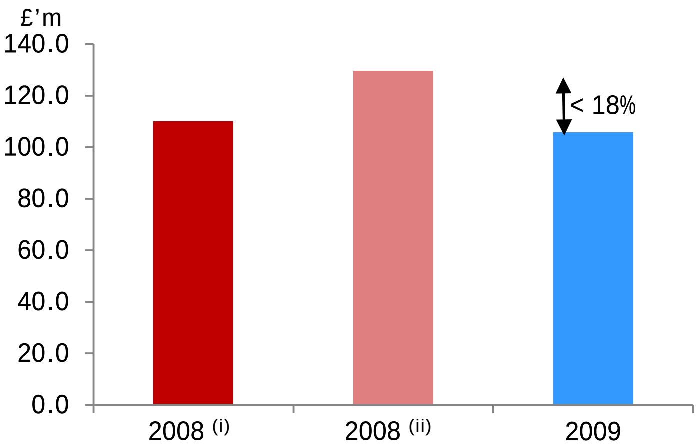
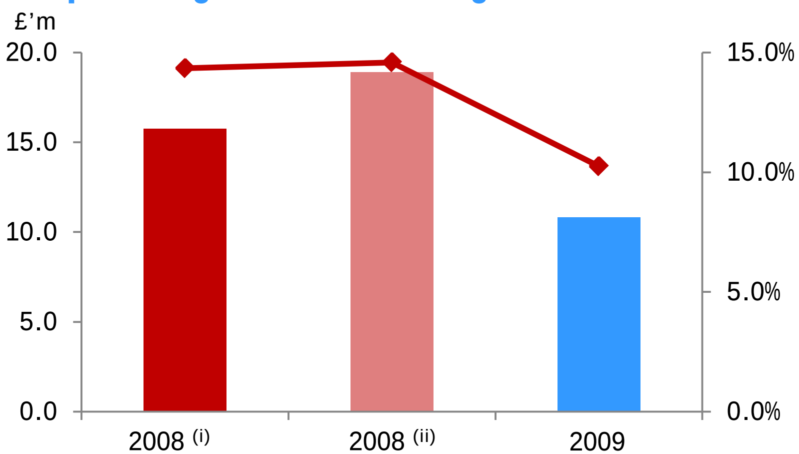
Sales



Operating Profit and Margins



- North America saw housing starts at record lows and reduced RMI activity. Demand in the US began to stabilise in the final quarter of the year
- Constant currency sales were down 18 per cent. over the year
- Margins decreased but remain strong

Key Opportunities	Mkt Size
Casement Window Hardware	$115m
Hinged Patio Door Hardware	$90m
Intumescent Seals	Small but prescribed by legislation

(i) 2008 as reported ; (ii) 2008 at 2009 Exchange Rates

UK Building Products - Key Drivers

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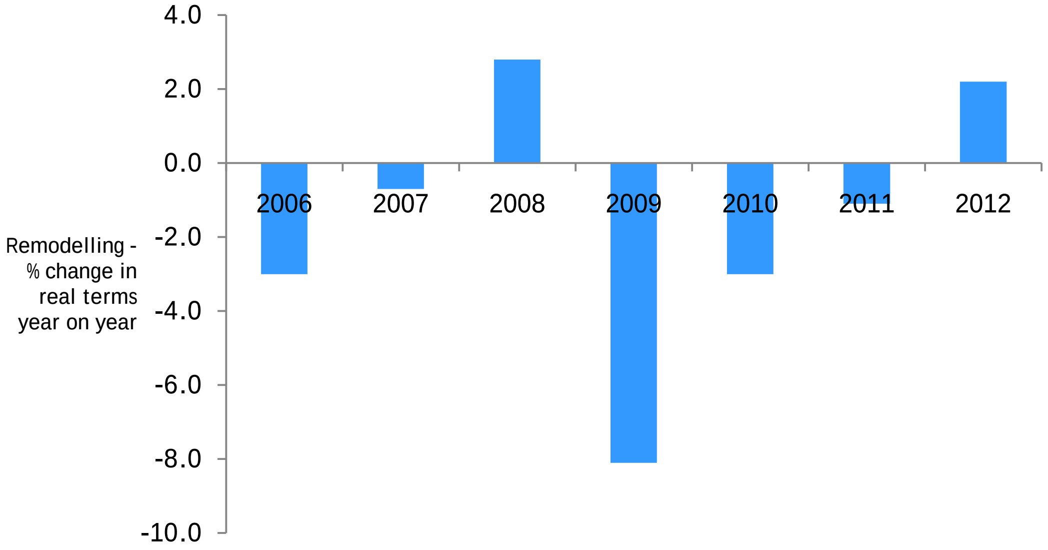
UK RMI Market



Source: Euroconstruct 2009

- Key driver for our UK businesses is levels of RMI activity
- Industry forecasts expect activity levels to start levelling out in 2010 – although sustained growth in the sector is not expected to return until 2012
- Slow return to growth expected

UK Building Products - 2009 Financials

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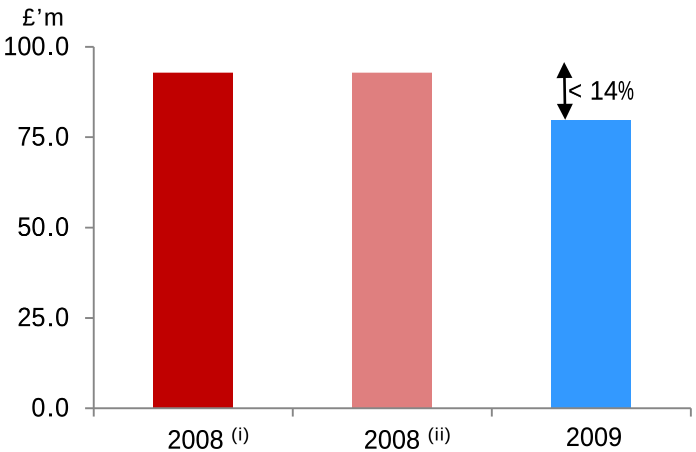
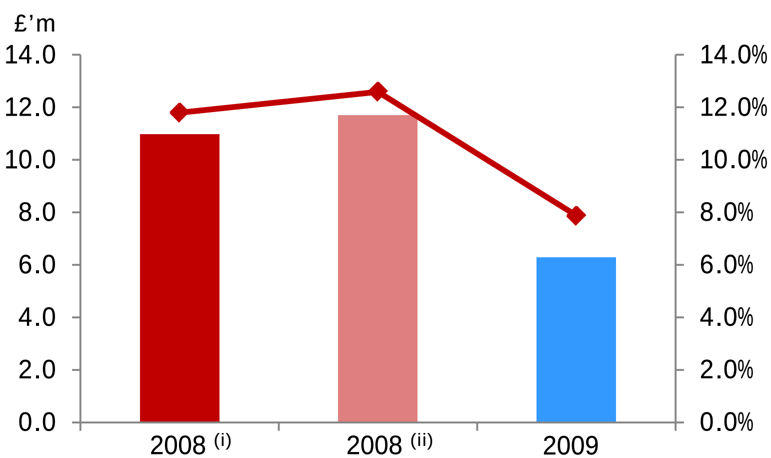
Sales



- The UK market - which is predominately RMI - remained poor and showed little sign of recovery
- Reported sales were down 14 per cent. year on year and profits down 42 per cent.
- Step change in the way we go to market in place for 2010

Operating Profit and Margin



(i) 2008 as reported ; (ii) 2008 at 2009 Exchange Rates

Key Opportunities	Mkt Size
Multi Point Locks	Fastest growing sector of the lock market
Thermal Break Reinforcer	Currently small but prescribed by legislation
Trade Composite Doors	100,000 doors p.a.

RoW Building Products – Key Drivers

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European RMI Market

Source: Euroconstruct 2009

- European RMI markets as a whole are not expected to return to real growth until 2011/12
- We expect Northern and Eastern European markets to recover faster than Southern Europe

RoW Building Products - 2009 Financials

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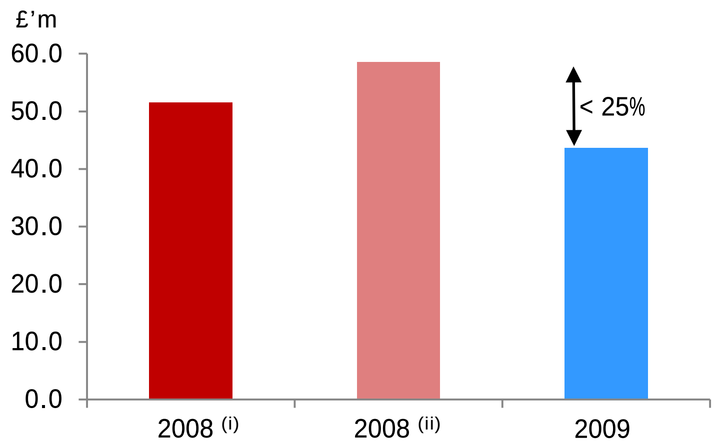
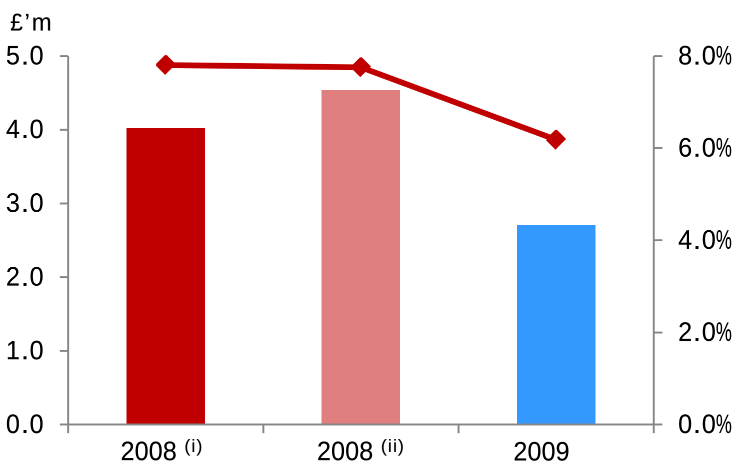
Sales



Operating Profit and Margin



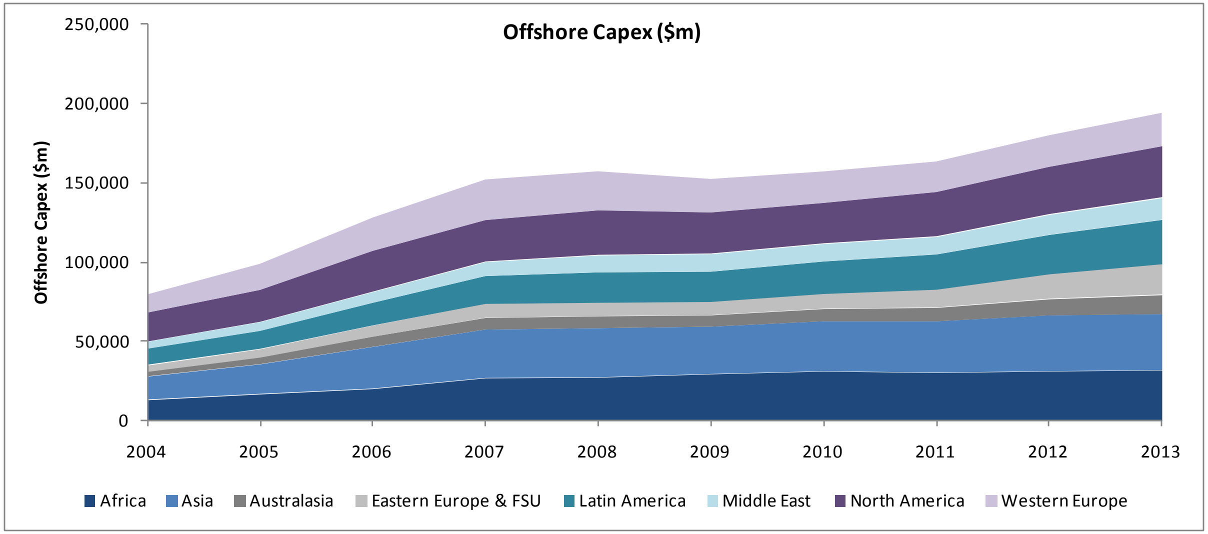
(i) 2008 as reported ; (ii) 2008 at 2009 Exchange Rates

- In Europe demand for our products was muted, particularly in Southern Europe, although in the latter months of the year, order intake did improve
- Our Australasian business performed robustly and has demonstrated the most success at cross selling Group products
- Overall, sales for the year were down 25 per cent. on a constant currency basis

Opportunities

- Broadening the product range in markets where we have a presence
- Geographic expansion into new markets

Gall Thomson - Key Drivers



Source: Douglas Westwood

- Historically a very stable business
- MBCs are an essential part of the offshore oilfield infrastructure
- Offshore capex forecast to continue to rise
- Industrial couplings are used across the full range of downstream activities in the oil and gas industry

2009 Oil and Gas Services

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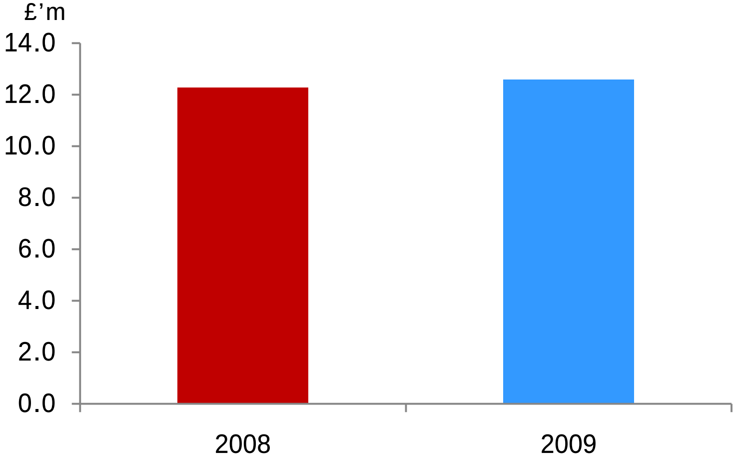
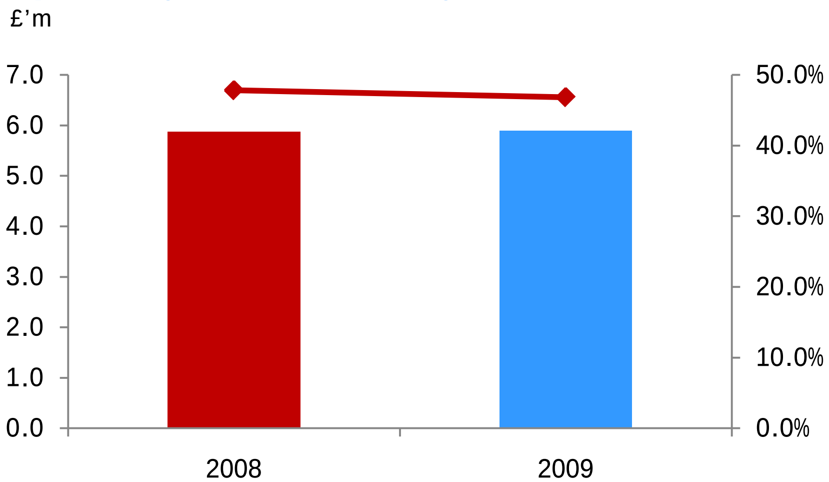
Sales



- Another strong performance by Gall Thomson in 2009 with sales increasing by 2.5 per cent.
- Operating profit margins remain very healthy
- Small decrease in overall margins reflects a change in mix and some incremental investment in overhead to drive future growth

Operating Profit and Margins



Opportunities

- Looking to develop MBC Aftermarket
- Exploring new market opportunities for industrial couplings – pharmaceuticals, hazardous chemicals and cryogenics

Business Development Opportunities

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- In the short term focus will be on organic growth
  - Build on strong position and brands in current markets
  - Cross selling opportunities to existing customer base
  - Targeting increased share of customer spend
  - Margin enhancement
  - New product development programme
  - Exploit competitor weakness
- Significant opportunities in the US
  - Higher margin businesses
  - Compelling US demographics over the medium to long term
  - Fragmented markets
- New Geographies (Far East and Eastern Europe) offer possible longer term potential

2010 Outlook

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- Building Products
  - Steady start to the year – sales and orders outperforming significantly depressed prior year levels
  - Seasonal nature of the businesses means that the first quarter offers little visibility
- Oil Services
  - Steady inflow of orders at Gall Thomson
- While outlook is uncertain we remain well positioned to benefit from any increase in activity levels

Strong platform to take Lupus forward

Strategic Questions

Strategic Questions

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DIVIDENDS

- Undertaking required that dividends will not be paid until net debt: EBITDA ratio has been reduced
- Committed to the resumption of dividend payments once permitted and when prudent to do so

GALL THOMSON

- Key element to the bank refinancing was the contribution Gall Thomson makes to earnings
- Gall Thomson will look to build on its high quality product offering

2012 REFINANCING

- Group will need to refinance debt prior to 2012
- Operational cashflow should enable further reductions in net debt
- Review of the Group’s financing strategy will be completed in 2010

CORPORATE ACTIVITY

- Building Products sector is still very fragmented
- Opportunities for targeted acquisitions at the right time in the cycle

Appendix A

Debt Facilities

New Bank Facilities

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KEY TERMS

- Roll-over of existing facilities, including reduction of revolving credit facilities, to 30 June 2012
- Significant reduction in the fixed repayment profile, with a focus on debt amortisation serviced from free available cash flow of LSS, Schlegel and Gall Thomson
- Full repayment at maturity, no penalties attached to early pre-payment
- New covenants - debt interest and cashflow - have been set at levels that are robust against various scenarios
- At 31 December 2009 covenant headroom ranged from 38 per cent. to 69 per cent..
- Increased, although not disproportionate, interest margins to reflect prevailing bank market conditions
- Margins step down as the net debt: EBITDA ratio falls
- Undertakings from Lupus not to pay dividends until the net debt ratio has reduced at both Group and subsidiary levels

New facilities provide the Group with sufficient flexibility to manage and invest in its operations as required.

Movement in net debt

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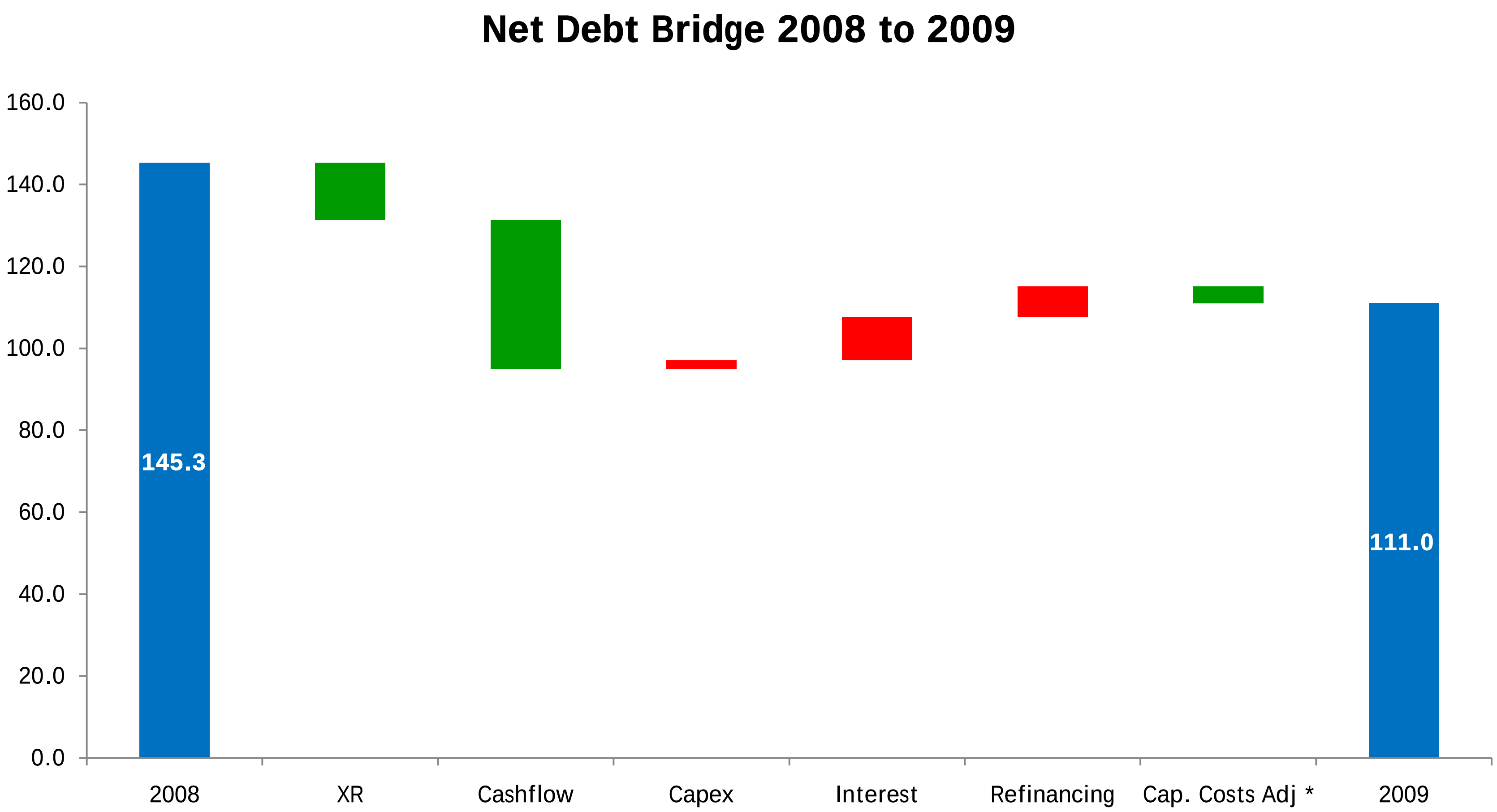


* Cap costs Adj. is the write back of previously capitalised financing costs incurred on the original facilities and now written off, netted against the financing costs incurred and capitalised in June 2009

Appendix B

Lupus Capital plc Businesses

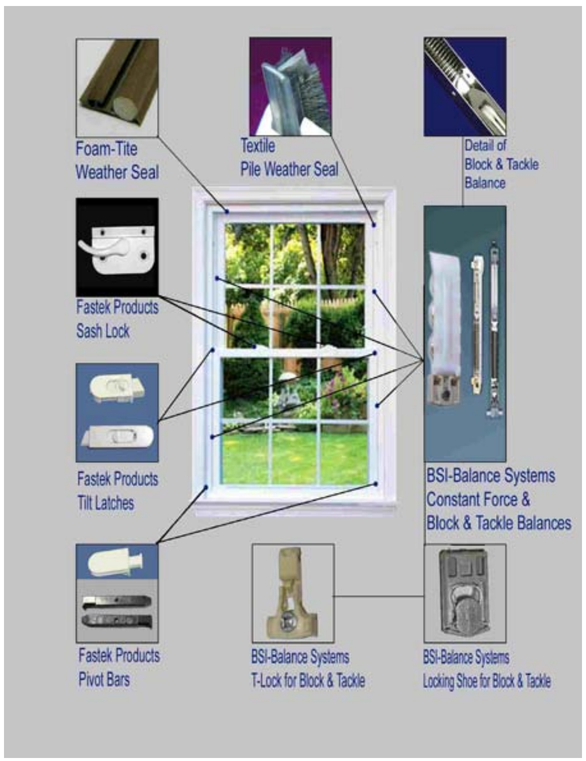
Building Products Division - Product Range

AMESBURY GROUP

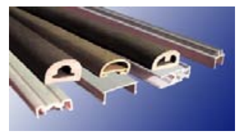
Schlegel

LSSD
SECURITY SYSTEMS

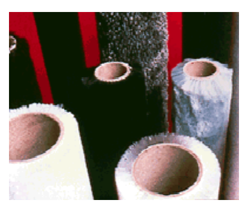
Window and door hardware



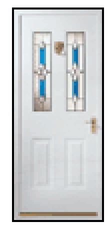
Seals & extruded products



Copier Brush



Security doors

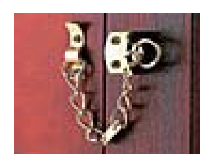


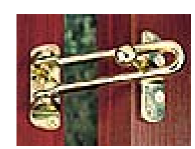
Homesafe
DOORS FOR LIFE
LINDMAN Doorsets

SECURIDOR
LIMITED
Custom entrance door systems

Hardware and components

ERA PRODUCTS





Oil and Gas Services - Product Range

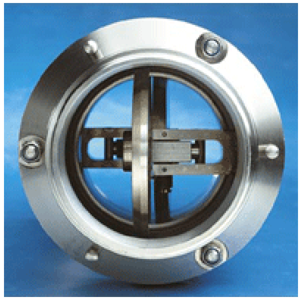
MARINE BREAKAWAY COUPLINGS

- Large global market share
- High barriers to entry
- Made to order for oil majors
- Excellent customer base
- Established management team
- Growth markets/ Deep sea oil production increasing

MBC Coupling

INDUSTRIAL BREAKAWAY COUPLINGS

- Replicate MBC skills / expertise
- Create new markets
- Growing fast



IBC Coupling

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