



**Results Presentation
February 2011**

SAGENTIA

Sagentia Group plc

Technology & product development company

- Outsourced R&D

Market Sectors : Medical, Consumer & Industrial

Core Consultancy Services

- From market analysis, through product development to transfer-to-manufacture, but predominantly outsourced product development

Based in Harston, near Cambridge

- Significant freehold property (Approx half occupied and remainder sub-let)
- Leased offices in Cambridge, Ma, (USA) and Hong Kong

AIM listed since July 2008

- Original IPO on Main List in December 2000

Summary of FY 2010

Successful operational turnaround

- Best performance for at least 5 years
- PBT of £2.2m substantially ahead of start-of-year expectation (2009 : Loss £3.5m)
- Operating Profit of £2.5m (2009 : £0.1m), margin of 12%
- EPS (diluted) of 6.9p (2009 : Loss of 13.5p)
- Underlying revenue growth of (excl discontinued/disposed activities) of 22%

Restructured Board

- New CEO appointed October 2009
- New Chairman and non-executive director appointed (April 2010) following Chairman investment in March 2010. Previous non-executive directors retired.
- New Finance Director appointed August 2010

Improved operational and financial controls

- Significantly reduced risk profile

Simplified corporate structure

- Swiss holding company in liquidation. 7 other legacy companies in process
- Legacy investments and freehold property transferred

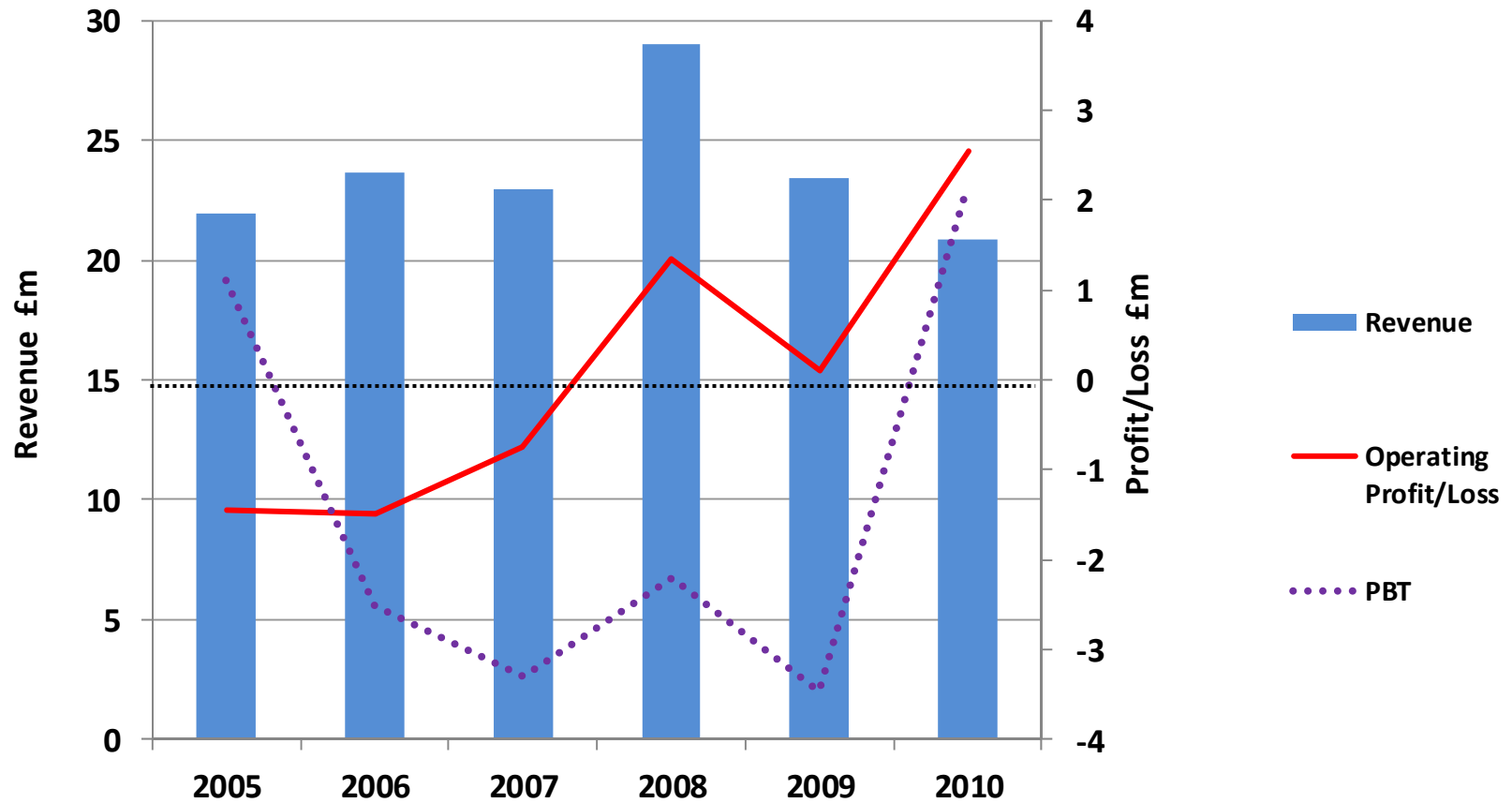
M&A opportunities being explored

Summary Financial Results

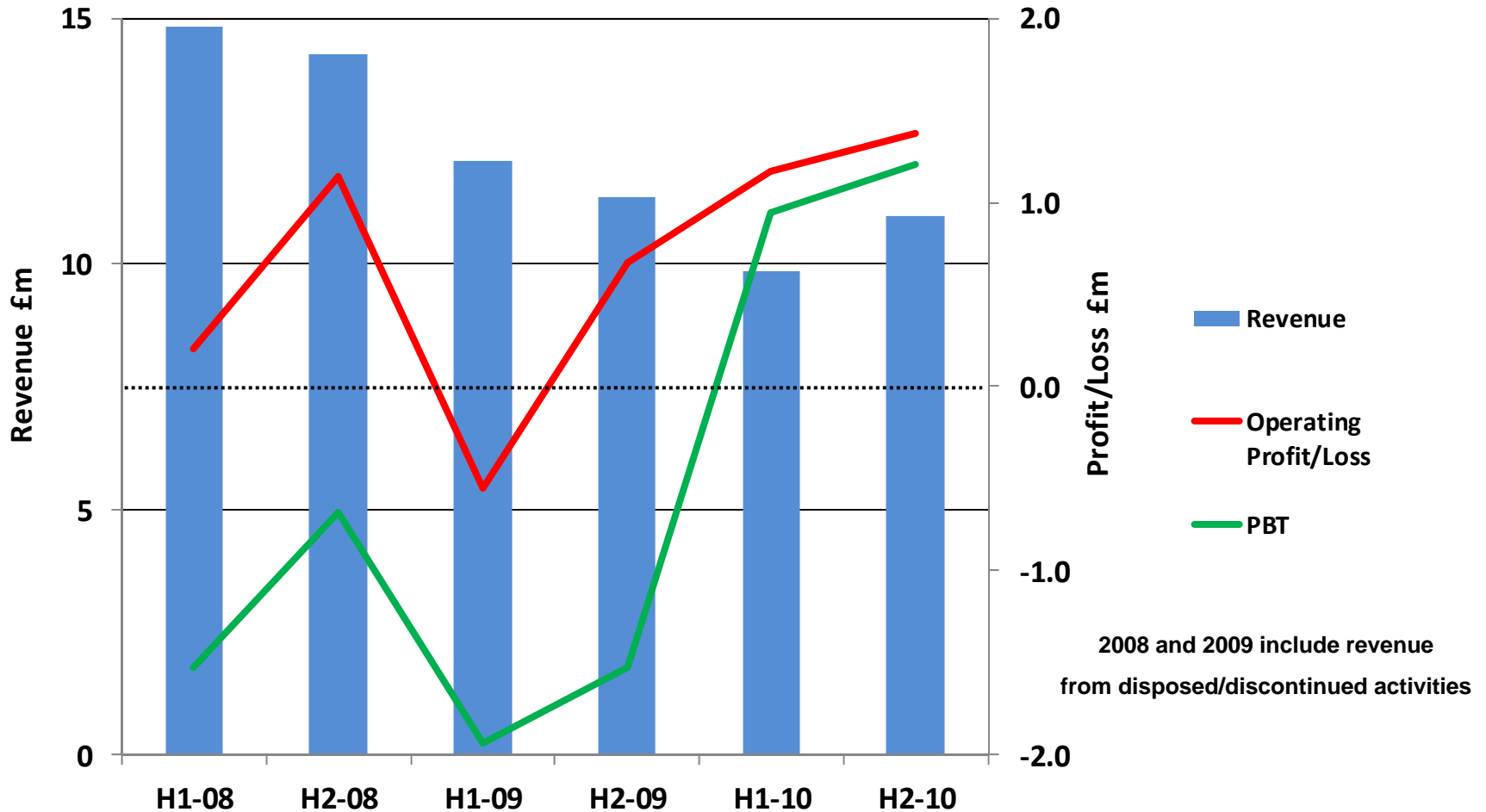
| | FY2010 | FY2009 |
|--------------------------|---------------|----------------|
| Revenue | £20.8m | £23.4m |
| Operating Profit | £2.5m | £0.1m |
| Operating Margin | 12.2% | 0.5% |
| Profit before Tax | £2.2m | (£3.5m) |
| PBT Margin | 10.3% | (14.8%) |
| Profit after Tax | £2.3m | (£2.9m) |

Excluding disposed/discontinued activities, underlying revenue growth was 22%

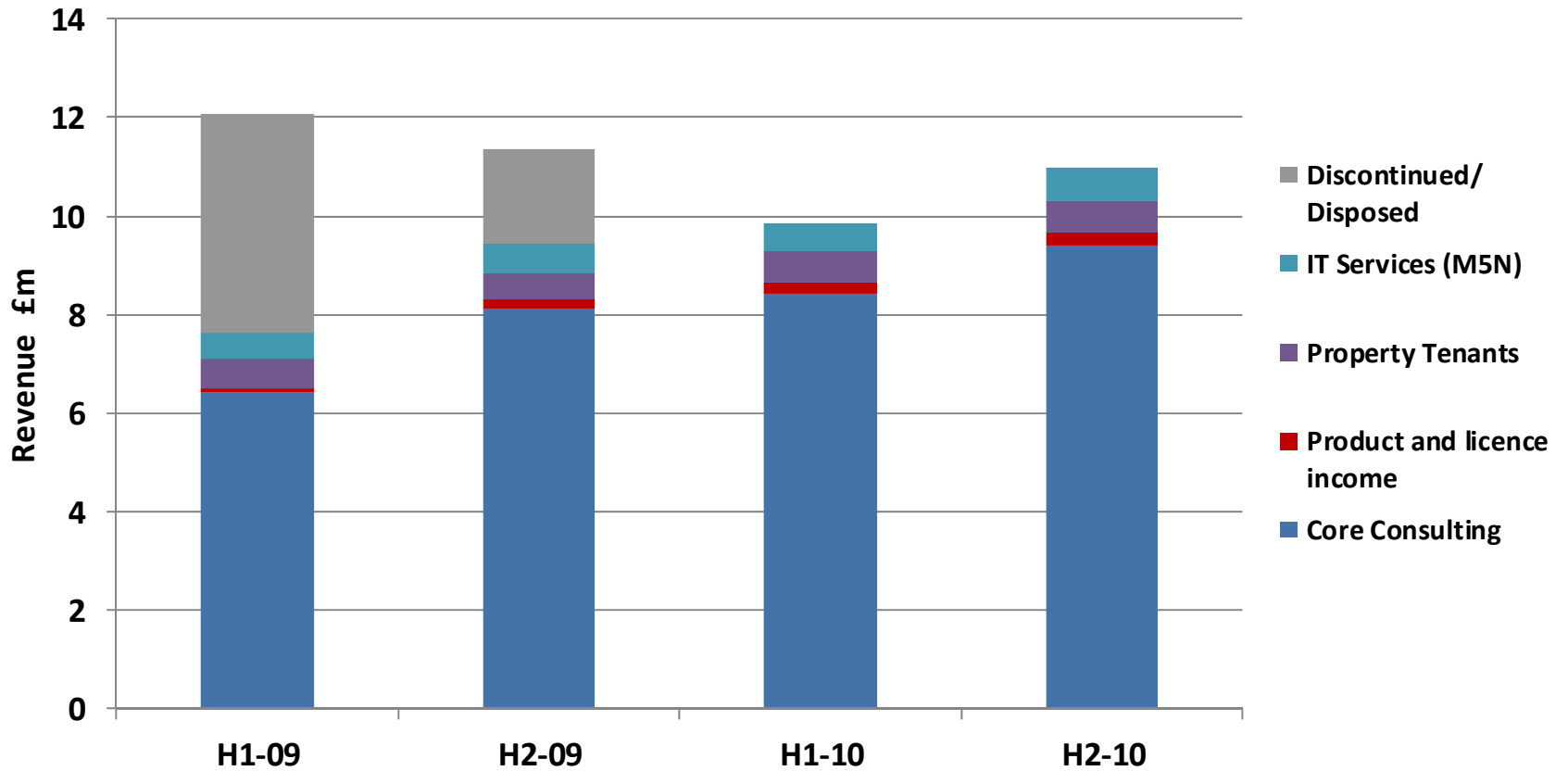
Comparative Annual Performance



Summary Financial Performance

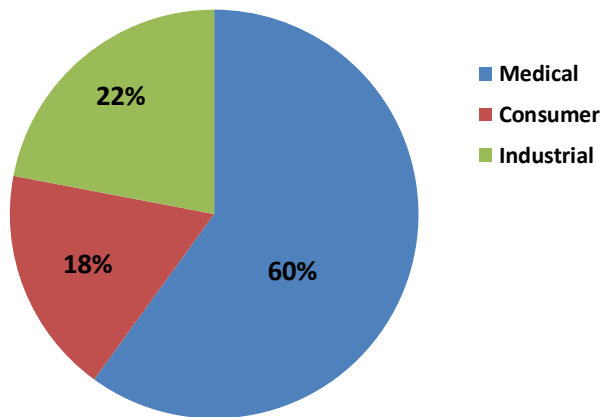


Revenue Breakdown

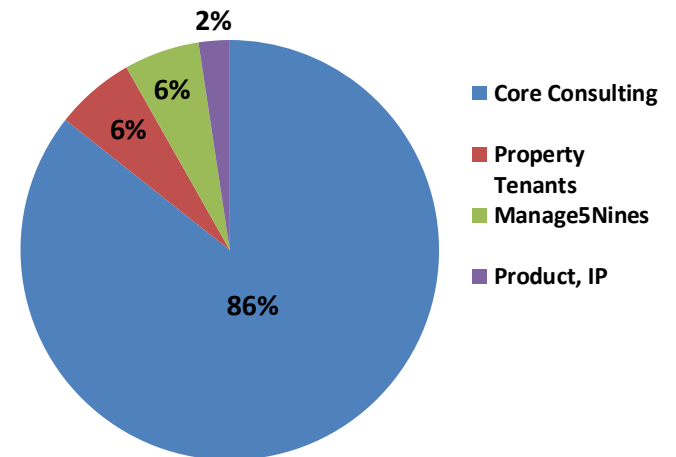


Revenue Breakdown

Consulting Revenue



Total Revenue



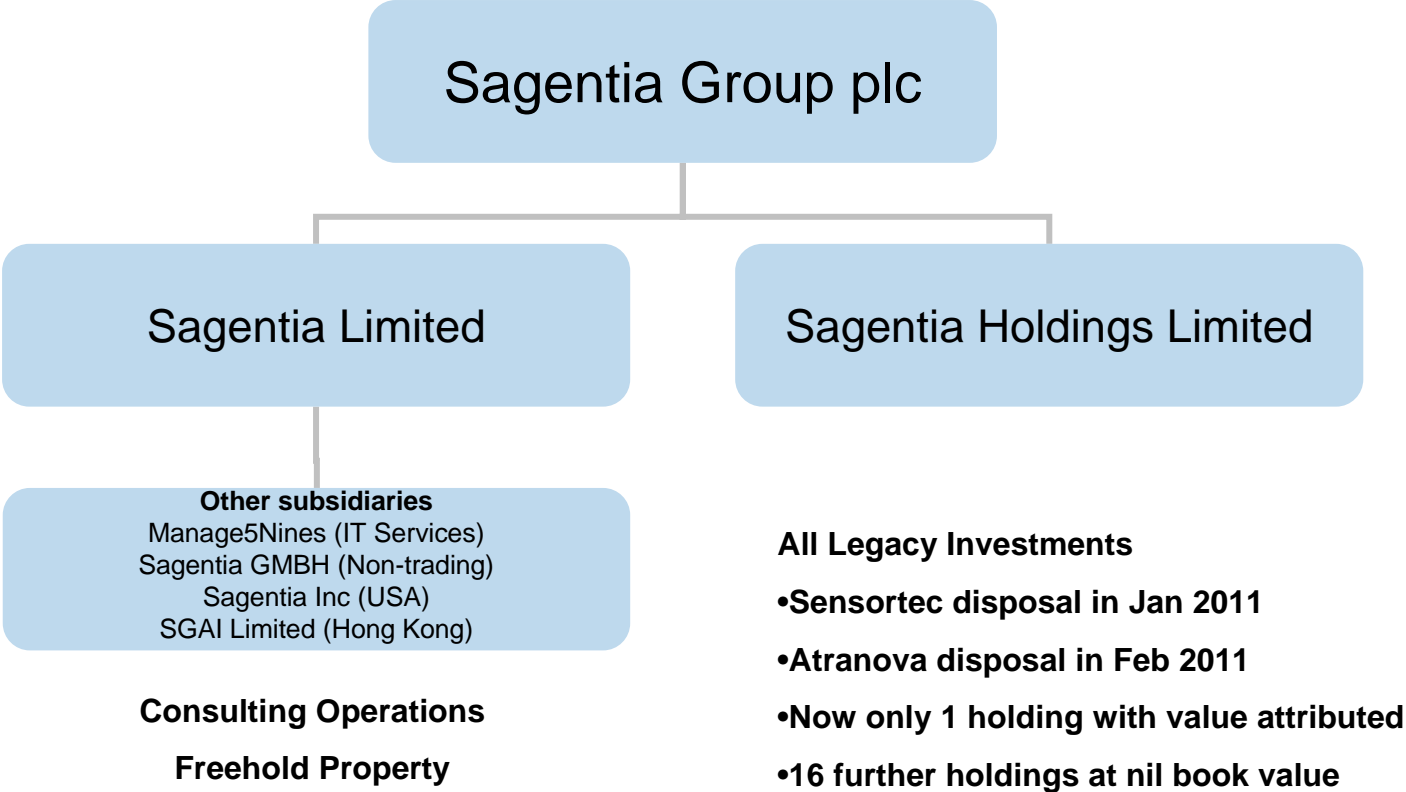
- Approx 75% of Consulting revenue derived from overseas markets (North America : 50%; Europe : 21%)
- Top 5 customers account for c.39% of Consulting revenue. Top 10 customers c.53%

Balance Sheet (extracted information)

| | 31 Dec 2009 | 30 June 2010 | 31 Dec 2010 |
|-----------------------------|--------------------|---------------------|--------------------|
| | £m | £m | £m |
| Cash | 4.2 | 12.5 | 16.4 |
| Bank Debt | (5.5) | (5.5) | (7.8) |
| Equity Investments * | 1.4 | 1.4 | 1.0 |
| Freehold Property | 14.0 | 13.9 | 13.9 |
| Shareholders Funds | 12.7 | 21.3 | 22.8 |

* In January/February 2011, two equity investments were sold, leaving just a single legacy investment holding with value on the balance sheet.

Corporate Structure



Other Financial Matters

Exceptional and/or One-Off Items

- US office relocation broadly offset by UK rate rebate
- Non-controlling investment loan (reported in Finance Income) : £285k non-cash gain
- Net write-down of legacy investments : £417k loss
- Fair Value gain on interest rate swap : £351k

Bank Facility

- Previous facility to expire in March 2011. Secured on all assets and subject to business operating covenants
- New £8.0m loan amortised over 5 years with 50% bullet payment. Secured on freehold property. Subject to maintaining minimum cash balance, no business operating covenants

Tax Losses

- At 31 December 2010, Group had tax losses of approximately £27.1m

Post Balance Sheet Events

- Disposal of Sensortec and Atranova shareholdings
- Buy out of minority shareholding in M5N to improve internal IT management

Sectors & Skill Groups

| Medical (Diagnostics) | Medical (Surgical) | Medical (Patient Care) | Consumer | Industrial |
|---|-------------------------------|-----------------------------------|-----------------|-------------------|
| Science & Technology | | | | |
| Mechanical Design & Systems | | | | |
| Embedded Systems | | | | |
| Innovation & Technology Management | | | | |

Skill Groups are managed as a central resource to provide :

- Benefits of operational scale**
- Specialist resources**
- Diversity of technical challenges for consultants**

Examples of Projects - Medical

North American Surgical Device Company : Development of the customer's next generation laparoscopic devices. (Minimally Invasive Surgery (MIS) remains an important market for device manufacturers as they respond to changing cost pressures, a constantly shifting regulatory framework and the need for quicker procedures)

North American Start-Up Company : Development of a device to grow human DNA in order to enable diagnostic tests to be performed on very small samples. This project requires a diversity of skills including pure science (optics and microfluidics) and engineering (industrial design, software, mechanical design and systems integration)

North American Medical Device Company : A production cost reduction project on a long-standing diagnostic device approaching end of life. Using a team in both the UK and Hong Kong, the device, the consumable and two accessories were redesigned, delivering approximately 75% reduction in the ex-factory cost

Examples of Projects – Consumer & Industrial

European Multi-National Company : Working with several divisions of this global consumer products company, Sagentia reviewed the formulation of a long-established product in order to increase market share; market analysis of devices for delivery of hair care products; and the review of the technical strategy of a personal care product

North American Multi-National Company : Sagentia has continued to develop its relationship with this global food and drink company, performing a variety of market studies, technical reviews and assisting the scientific research team in improving the productivity of a major product line

German Industrial Company : Sensor intellectual property which has been licensed to expand their product range, delivering £300,000 of product revenue in 2010

North American Security Company : reviewing technical roadmaps, market needs analysis and technology analyses to enable penetration into China, currently dominated by a competitor

Operational & Financial Process Improvements

- **Bid Review** : Every proposal now subject to management review
- **Fixed Price vs T&M Projects** : Majority of proposals now being quoted as T&M
- **Credit Management** : Weekly reporting of customer credit and WIP exposure
- **Project Tracking** : Weekly reporting of the status of every project
- **Salesforce.com** : Improved sales prospect tracking
- **Financial System upgrade** : Planning stage in process.
- **HR** : Normalised legacy issues eg pension contributions and benefits; introduced grading structure with greater consistency; formalised bonus structure, updated employment contracts

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