



Presentation of the Interim
Results for the six months
ended 31 March 2011

May 2011

Agenda

- Application Overview
- Performance Overview
- Operational – Touch
 - Touch Turnover
 - Touch Unit Sales
 - Value Added Resellers (VAR) Unit Sales
- Operational – ATM Displays
- Financial Performance
- Developments
- Strategy
- Summary
- Appendices

Application Overview

Self Service



Dispensing



ATM's



Fuel/power dispensing



QSR kiosks



Ticketing/parking



Vending

Info Display



Digital signage



Public transportation



Wayfinders



Info kiosks



Touch tables

Industrial/Gaming



Gaming



Industrial HMI



Video Lottery Terminals



Medical displays

Performance Overview

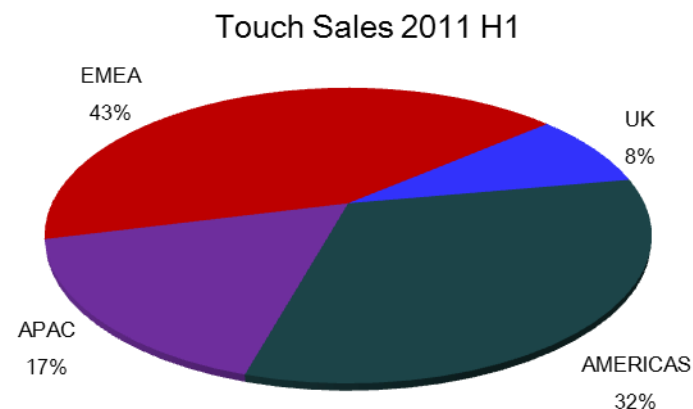
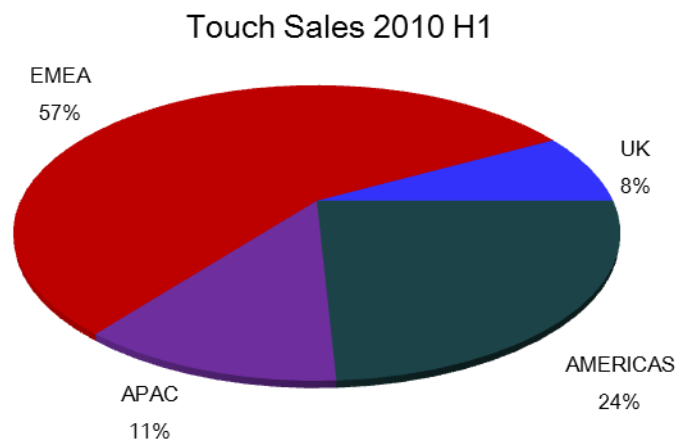
	H1 ended 31 March	
	2011	2010
Revenue	£9.09m	£8.20m
Gross Profit	£2.92m	£2.60m
Gross Profit Margin	32.1%	31.7%
Profit Before Taxation	£1.27m	£1.06m
EPS	6.4p	5.4p
Interim Dividend	2.1p	2.0p

- Revenue increased 11% to £9.1m
- Exports' share constant at 89% of total sales
- Touch sales 66% of total sales (2010: 56%)
- PBT increased 19% to £1.3m
- EPS increased by 19% to 6.4p (2010: 5.4p)
- Proposed interim dividend increased 5% to 2.1p (2010: 2.0p)
- Two new laminators installed and operational
- New Chairman appointed in March

Operational - Touch

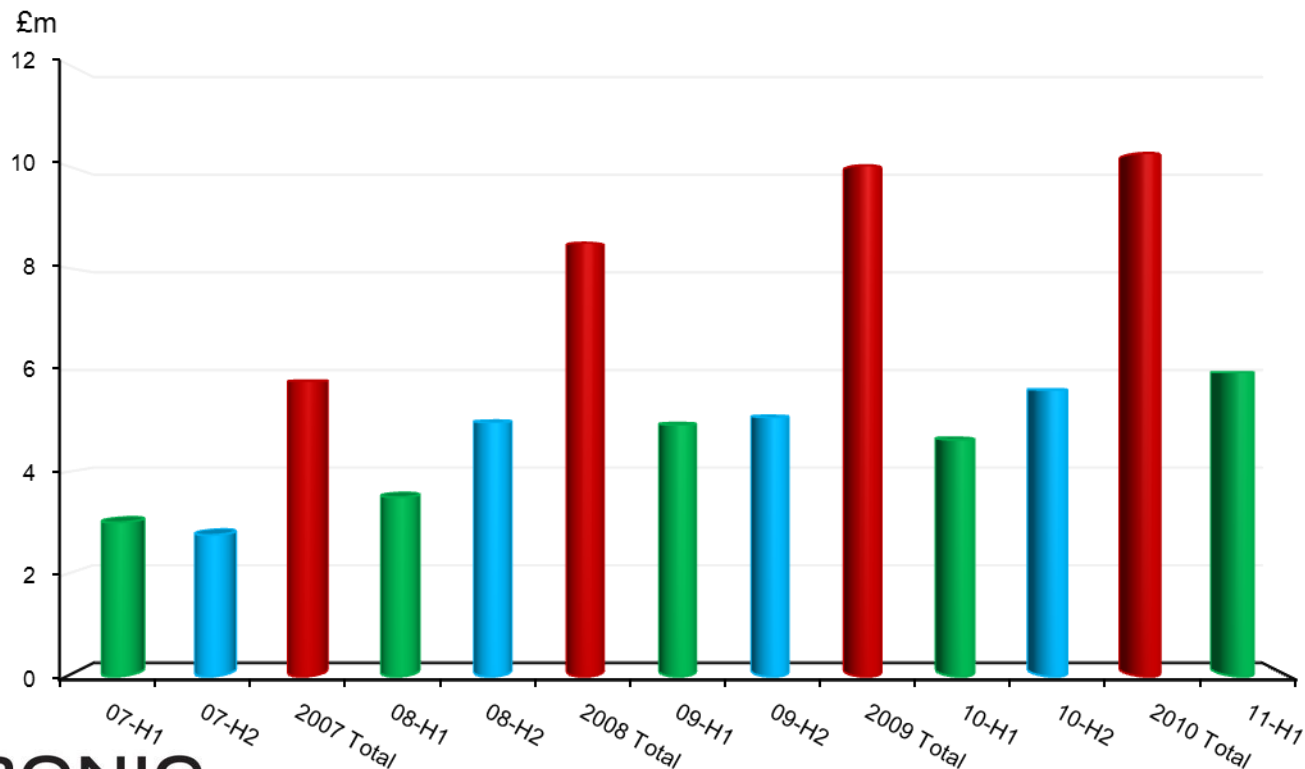
- Touch Sales:

- Sales orders received increased by 36%
- Sales revenue increased by 29%
- Unit sales increased by 31%
- Non-ATM accounts generating revenue >£0.1m more than trebled to 13
- Total export sales grew from £4.3m to £5.5m
- Growth particularly in Americas and APAC

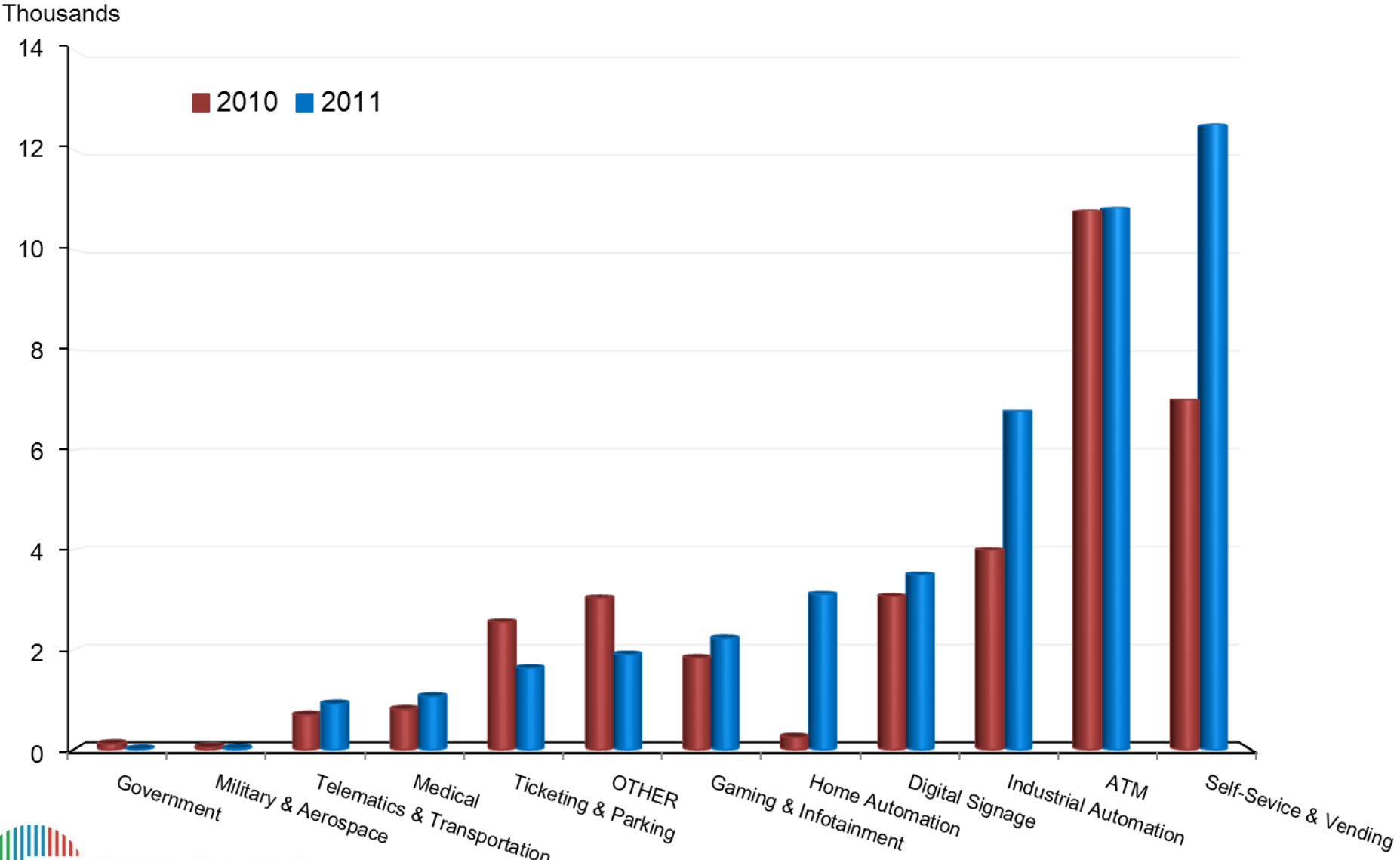


Touch Turnover

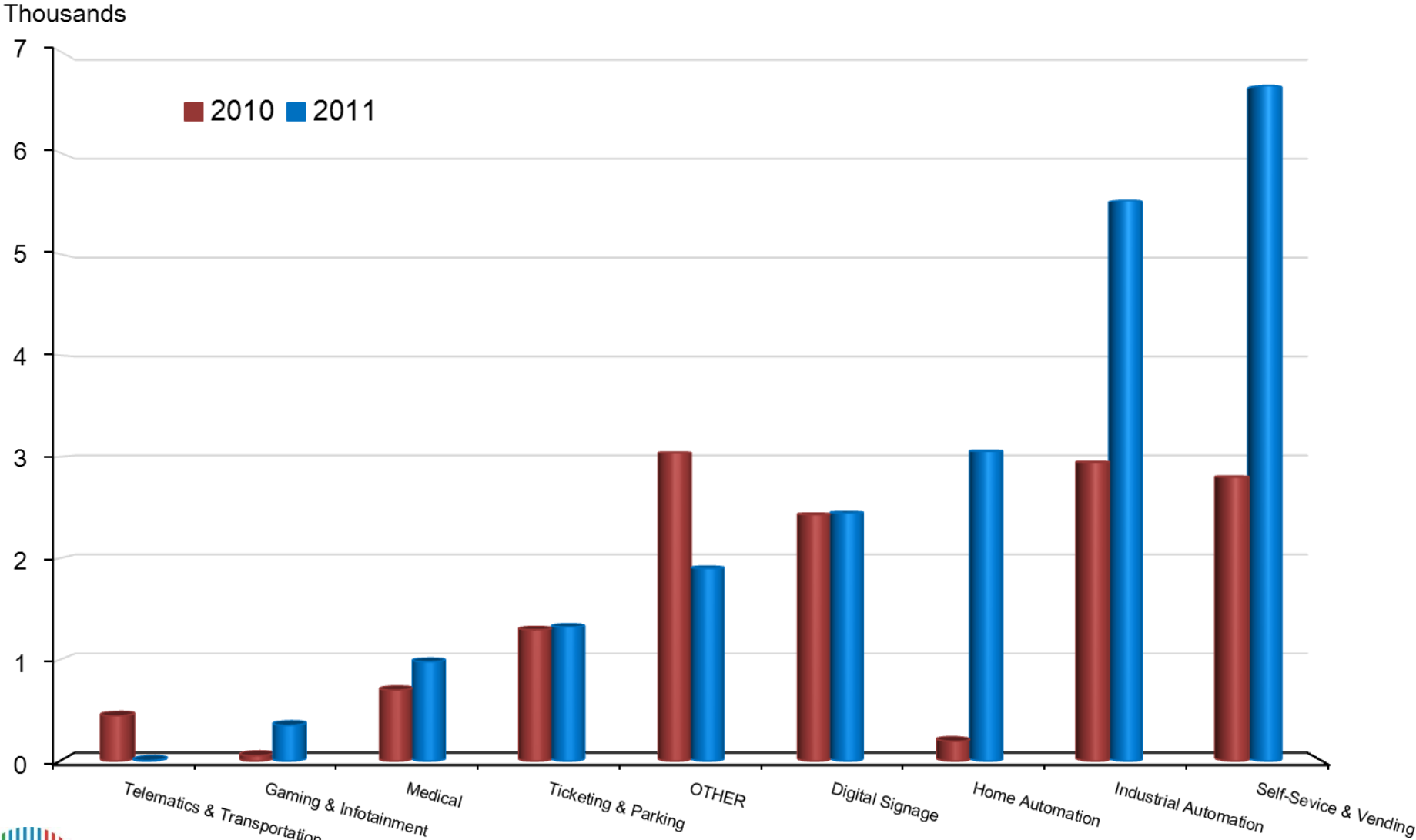
- Coca-Cola Freestyle™ dispenser units increasing with mainstream product deployment
- BSH Gaggenau starts seeding its sales channels for its new induction cooktop units
- Gaming revenues increased 50% on 5% unit increase over corresponding period
- ATM customer units increase 1% over corresponding period



Touch Unit Sales

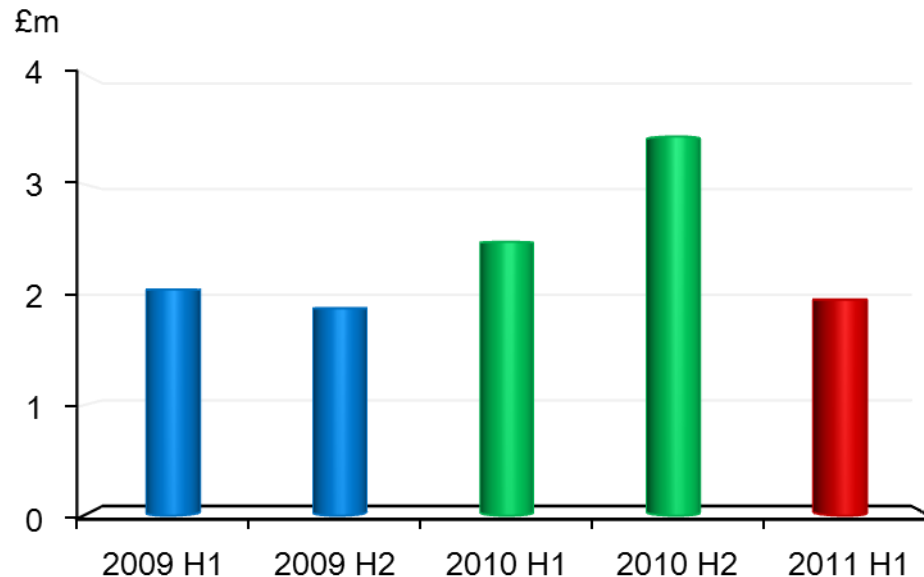


VAR Unit Sales



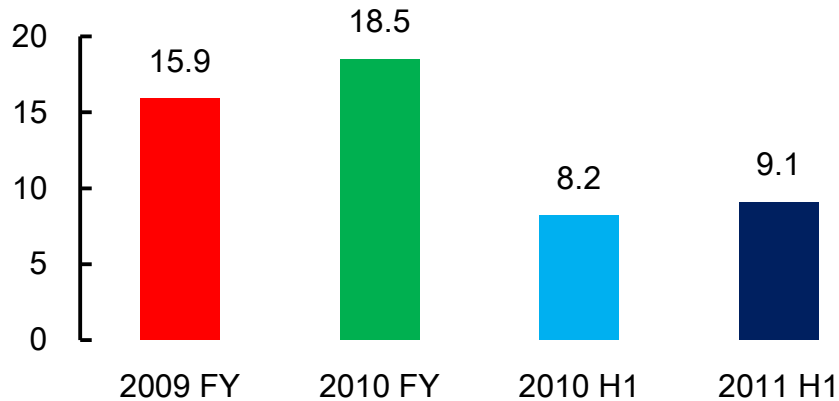
Operational – ATM Displays

- ATM Display Sales
 - In line with management expectations, unit sales and revenues decreased
 - Price reductions following major re-designs
 - Absence of one - off benefits in 2010
 - Continual changes in mix of products ordered

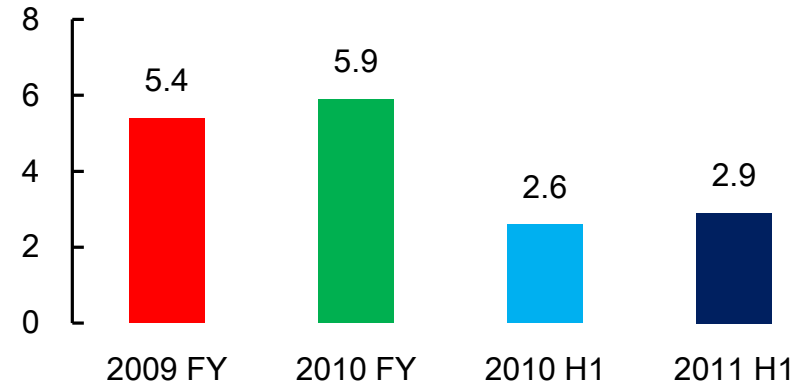


Financial Performance

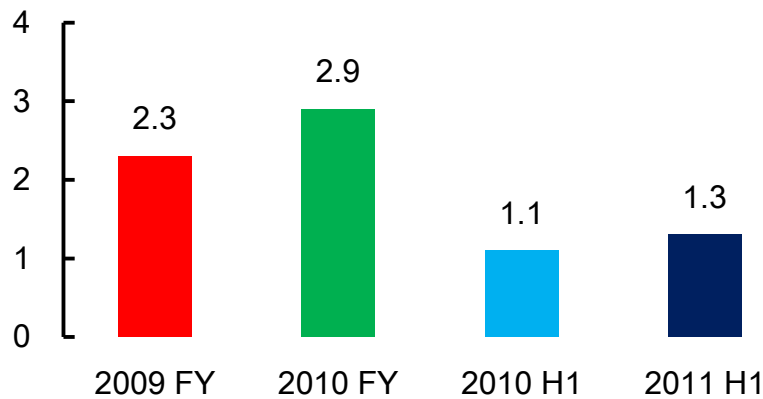
Revenue - £m



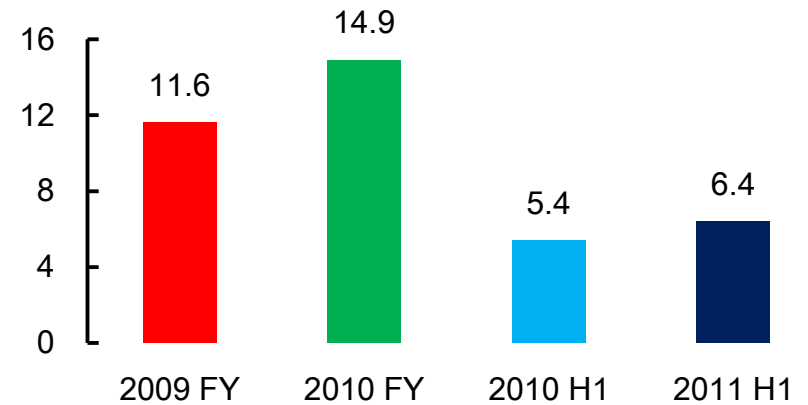
Gross Profit - £m



Profit Before Tax - £m



Earnings Per Share (p)



Financial Performance (cont'd)

- Income statement
 - H1 gross profit margin improved slightly to 32.1% from 31.7% (FY2010: 31.9%)
 - H1 tax rate estimated at 26% (H1 FY2010; 26%, FY2010; 25%)

- Cash position
 - Net cash at 31 March 2011 £0.8m (September 2010: £1.2m)
 - Net cashflow from operating activities reduced marginally to £1.0m as working capital in inventories and debtors increased £0.4m
 - Payments on capital expenditure at £0.5m (H1 FY2010: £0.2m)
 - Dividend payment in H1 increased from £0.5m to £0.7m

- Borrowings
 - Chattel mortgage and HP agreements paid off by 31 March 2011
 - Remaining debt of £2.2m consists of two 10 year property mortgages
 - RCF of £2.0m remains unused; available to 30 June 2012

Developments

- Capacity
 - New 65" laminator operational from December 2010
 - New 32" laminator operational from January 2011
 - Original 32" laminator re-sited to achieve more efficient display manufacture
- New sensor format to be launched in May 2011
 - Suitable for high volume, small size, competitively priced projects
- New suite of open source drivers to be launched during 2011
 - Win CE6 driver now finalised
 - Linux to be completed by September 2011
 - Windows Vista, Windows 7 etc to follow

Strategy

- Continue growth through ZYPOS and ZYBRID developments
- Target rugged high use environments
- ZYBRID field trial units already supplied for following programme deployments

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

- Continue expansion of sales channel network
 - Intend increasing representation for China
 - New VAR appointments targeted for Mexico, Thailand and Indonesia

Summary

- Long established, profitable business with strong management
- Successful history of product development
- Competitive advantages:
 - Technological development and innovation
 - Protected touch sensor IP
- Business expanded progressively – new products & new territories
- Continuous R&D: aiming to achieve multi-touch functionality
- Solid financial performance
- Good cash generation and continuing growth in dividends

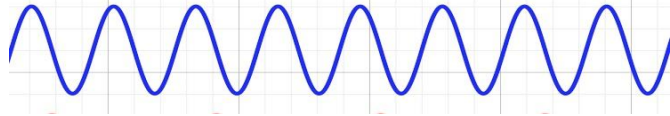
Appendices

The Business

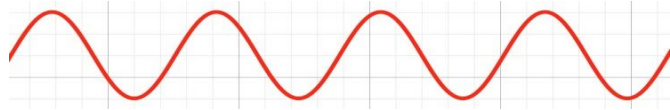
Developer and manufacturer of a range of touch display interactive products

- 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

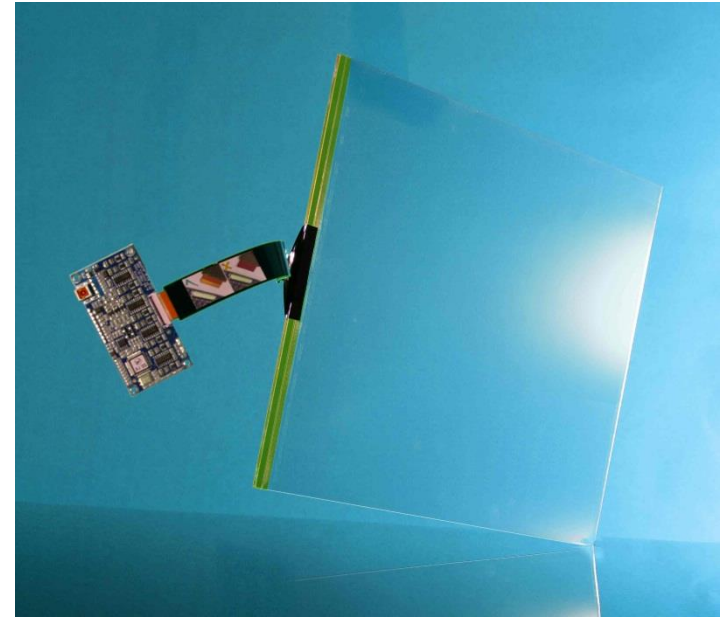
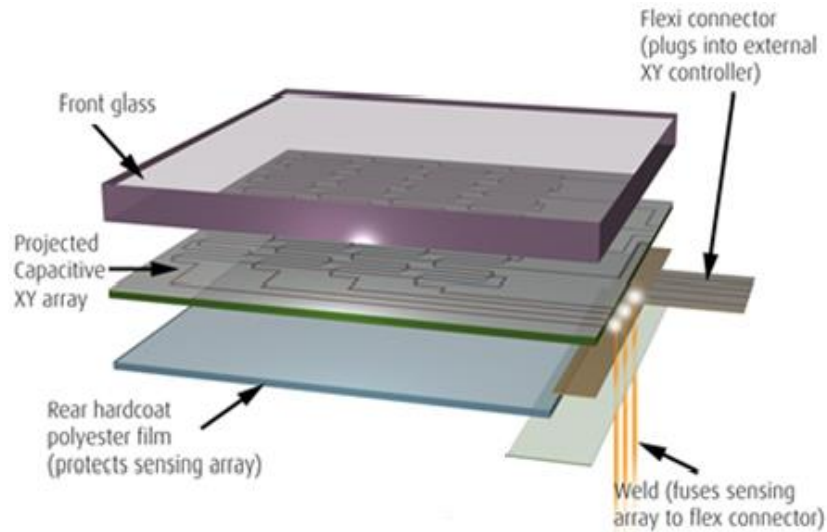
Zytronic's PCT™ Technology



Capacitive electrodes oscillate at 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 ZYPOS® sensor and controller

Competition Comparison

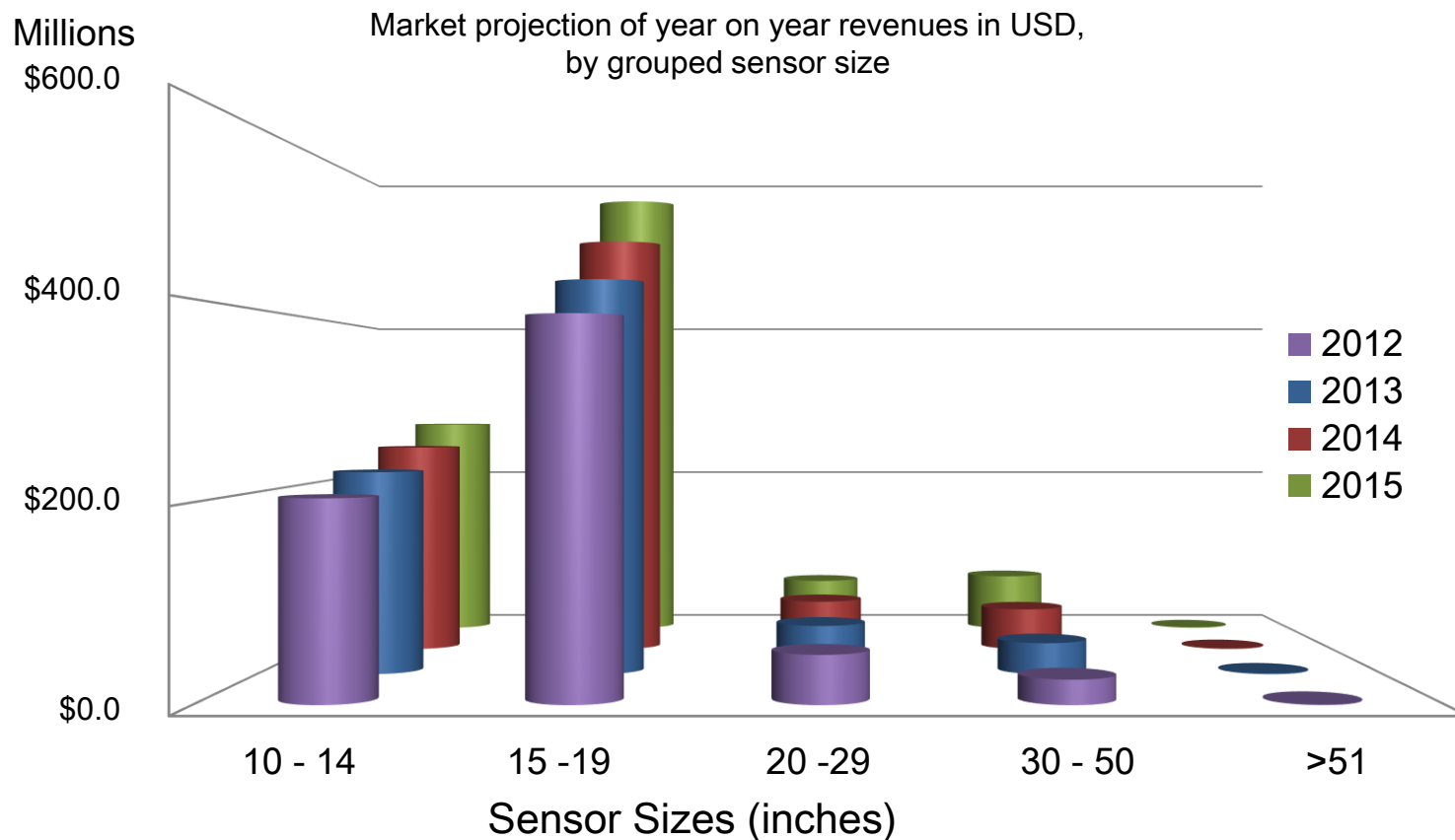
- Coined “Projected Capacitance Technology” in 2000 and trademarked as PCT™
- PCT™ products used in industrial and public access markets and not consumer markets
- Competing technologies are Acoustic, Surface Capacitive and Infra-Red touch

	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

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 hob. Investment in additional equipment and cleanroom refurbishment to drive efficiency gains

Routes to Market



Total 37 Reps/VARs covering 39 countries

- 16 agreements covering Americas
- 14 agreements covering EMEA
- 7 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 Managing Director of Zytronic Displays Limited the operating subsidiary. On 1 June 2007, Mark was appointed to the Board of Zytronic Plc and promoted 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 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 its 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.