



Annual Results Presentation

February 2013



Financial Highlights

- Revenue increased by 47% to US\$32.2m (2011: US\$21.9m)
- Adjusted EBITDA increased by 367% to US\$4.2m (2011: US\$0.9m)^{1 2}
- Pre-tax income of US\$1.2m compared to a Pre-tax loss of (US\$2.3m) in 2011
- Adjusted net income/(loss) before amortization of US\$3.4m (2011: US\$0.0m)³
- EPS before amortization of US\$0.06 (2011: US\$0.00)
- Basic EPS US\$0.02 (2011: (US\$0.04))
- Reduced net debt to US\$1.9m from US\$4.6m using excess cash flow⁴
- Returned to dividend list with a proposed 0.8 US cent per share dividend for the period ending December 31.

^{1,2,3,4} See annual results announcement for definition of terms

Operational Highlights

- **S840 machine introduced in November 2011 had 2012 sales of US\$7.7m.**
- **New S-15m mid-sized screed introduced in November 2012 had Q4 2012 sales of US\$0.4m.**
- **Increased investment in emerging markets resulted in a 26% increase in revenue from that region.**
- **Escalating sales and service presence in China resulted in a 50% increase in 2012 sales over 2011.**
- **Russia sales increased by 363% in 2012 over 2011.**
- **Fully operational Chinese website enabled our Chinese customers to interact with us more effectively.**

Financial results – North America

- North America sales grew by 78% overall
- Small Line up by 67% from last year driven by the new S-840 Laser Screed model
- Other is up primarily due to a 213% increase in Refurb sales and a 30% increase in Parts sales

US\$ millions	North America Full Year	
	2012	2011
Large Screed \$	5.1	2.4
<i>Growth</i>		112.5%
Small Screed \$	5.0	3.0
<i>Growth</i>		66.7%
Other	8.0	4.8
<i>Growth</i>		66.7%
Total \$	18.1	10.2
<i>% Growth</i>		77.5%
% of Total revenue	56.2%	46.6%

Financial results – EMEA

- EMEA sales grew by 14% overall
- Small Line up 78% from last year driven by the new S-840 Laser Screed model
- Other is down primarily due to a 85% decrease in Refurb sales

<i>US\$ millions</i>	EMEA Full Year	
	2012	2011
Large Screed \$	0.7	0.6
<i>Growth</i>		16.7%
Small Screed \$	3.2	1.8
<i>Growth</i>		77.8%
Other	1.9	2.7
<i>Growth</i>		-29.6%
Total \$	5.8	5.1
<i>% Growth</i>		13.7%
<i>% of Total revenue</i>	18.0%	23.3%

Financial results – Rest of World

- China is 50% ahead of last year
- Korea is 70% ahead of last year
- Latin and South America is 20% ahead of last year
- Plan to add additional salespeople this year
- Other is up primarily due to a 65% increase in Refurb sales

<i>US\$ millions</i>	RoW Full Year	
	2012	2011
Large Screed \$	2.3	2.4
<i>Growth</i>		-4.2%
Small Screed \$	1.9	1.4
<i>Growth</i>		35.7%
Other	4.1	2.8
<i>Growth</i>		46.4%
Total \$	8.3	6.6
<i>% Growth</i>		25.8%
<i>% of Total revenue</i>	25.8%	30.1%

Revenue breakdown by geography

US\$ millions	North America Full Year		EMEA Full Year		RoW Full Year		Total Full Year	
	2012	2011	2012	2011	2012	2011	2012	2011
Large Screed \$	5.1	2.4	0.7	0.6	2.3	2.4	8.1	5.4
<i>Growth</i>		112.5%		16.7%		-4.2%		50.0%
Small Screed \$	5.0	3.0	3.2	1.8	1.9	1.4	10.1	6.2
<i>Growth</i>		66.7%		77.8%		35.7%		62.9%
Other	8.0	4.8	1.9	2.7	4.1	2.8	14.0	10.3
<i>Growth</i>		66.7%		-29.6%		46.4%		35.9%
Total \$	18.1	10.2	5.8	5.1	8.3	6.6	32.2	21.9
<i>% Growth</i>		77.5%		13.7%		25.8%		47.0%
<i>% of Total revenue</i>	56.2%	46.6%	18.0%	23.3%	25.8%	30.1%	100.0%	100.0%

- S-840 sales up by \$7.0m
- Small line sales up by \$3.9m in total led by a \$7.0m increase in S-840 sales
- Other is up primarily due to a \$1.7m increase in Refurb sales and a \$1.1m increase in Parts sales

P&L statement shows high gross profit margin & low capital expenditure

	Year ended December 31, 2012 US\$ 000	Year ended December 31, 2011 US\$ 000
Revenue	32,171	21,872
Cost of sales	16,511	11,656
Gross profit	15,660	10,216
Operating expenses		
Selling expenses	5,301	4,402
Engineering expenses	562	580
General and administrative expenses	8,386	6,989
Total operating expenses	14,249	11,971
Operating income/(loss)	1,411	(1,755)
Other income (expense)		
Interest expense	(331)	(454)
Interest income	18	1
Foreign exchange gain/(loss)	99	(120)
Other	18	13
Income/(loss) before income taxes	1,215	(2,315)
Provision for income taxes	195	19
Net income/(loss)	1,020	(2,334)
Other data		
Adjusted EBITDA	4,210	932
Adjusted net income/(loss) before amortization	3,353	(1)
Depreciation expense	300	264
Amortization of intangibles	2,333	2,333
Capital expenditures	554	133

Revenue +47%
 • Driven by Large line, S-840, Refurb sales and Parts sales
 Gross Profit 49% GM in '12 vs 47% in '11

Operating Expense
 • Increase of 19% due to investments in China and India
 • Employee repayment and profit sharing

Capex
 • ERP systems upgrade
 • China bldg improvements
 • Software & hardware improvements

Balance sheet

Consolidated Balance Sheets

As of December 31, 2012 and 2011

	2012 <u>US\$ 000</u>	2011 <u>US\$ 000</u>
Assets		
Current Assets:		
Cash and cash equivalents	1,167	89
Accounts receivable - net	4,396	3,440
Inventories	6,390	5,717
Prepaid expenses and other assets	656	612
Total current assets	12,609	9,858
Property, plant and equipment - net	3,765	3,551
Intangible assets - net	7,579	9,872
Goodwill	2,878	2,878
Deferred financing costs	75	135
Other assets	34	31
Total assets	26,940	26,325
Liabilities and stockholders' equity		
Current liabilities:		
Notes Payable - current portion	511	511
Accounts payable	2,648	1,618
Accrued expenses	915	866
Income tax payable	170	44
Total current liabilities	4,244	3,039
Notes payable, net of current portion	2,568	4,244
Other liabilities	19	27
Total liabilities	6,831	7,310
Stockholders' equity		
Total stockholders' equity	20,109	19,015
Total liabilities and stockholders' equity	26,940	26,325

- Extended customer terms allowed under new bank agreement
- New products drive inventory

Adjusted Net Debt

Dec 12	Dec 11	Var
\$1.9m	\$4.6m	(\$2.7m)

Cash flow

Consolidated Statements of Cash Flows

For the years ended December 31, 2012 and 2011

	Year ended 31 December 2012 US\$ 000	Year ended 31 December 2011 US\$ 000
Cash flows from operating activities:		
Net income/(loss)	1,020	(2,334)
Adjustments & Working Capital	2,440	2,891
Net cash provided by operating activities	3,460	557
Net cash provided used in investing activities	(554)	(113)
Cash flows from financing activities:		
Borrowings from additional financing	15,048	15,240
Loan origination fees	(60)	(203)
Repayment of notes payable	(16,724)	(15,610)
Net cash provided used in financing activities	(1,736)	(573)
Effect of exchange rates on cash and cash equivalents	(92)	122
Net increase/(decrease) in cash and cash equivalents	1,078	(7)
Cash and cash equivalents:		
Beginning of year	89	96
End of year	1,167	89

Higher sales led to strong net income \$1.0m

- Loan repayment of \$1.7m
- Loan amendment
- Dividend of 0.8 cents per share

Current trading and outlook

- Although the US and world economies are still in a fragile recovery, we are taking steps to shape our own future and are confident in our growth projections for 2013. We are pleased that we are in a position to return to the dividend list with a 0.8 US cent per share dividend.

Thank You

Front Photo:
Commercial Warehouse floor
United Kingdom
S-15m Laser Screed®

Back Photo:
Retail Store
Florida, USA
S-840 Laser Screed®

