



Communications & Aerospace

**Preliminary results for the year ended
31 March 2010**

Presenters:

Ian Brodie (Chief Executive)

Kevin Edwards (Finance Director)

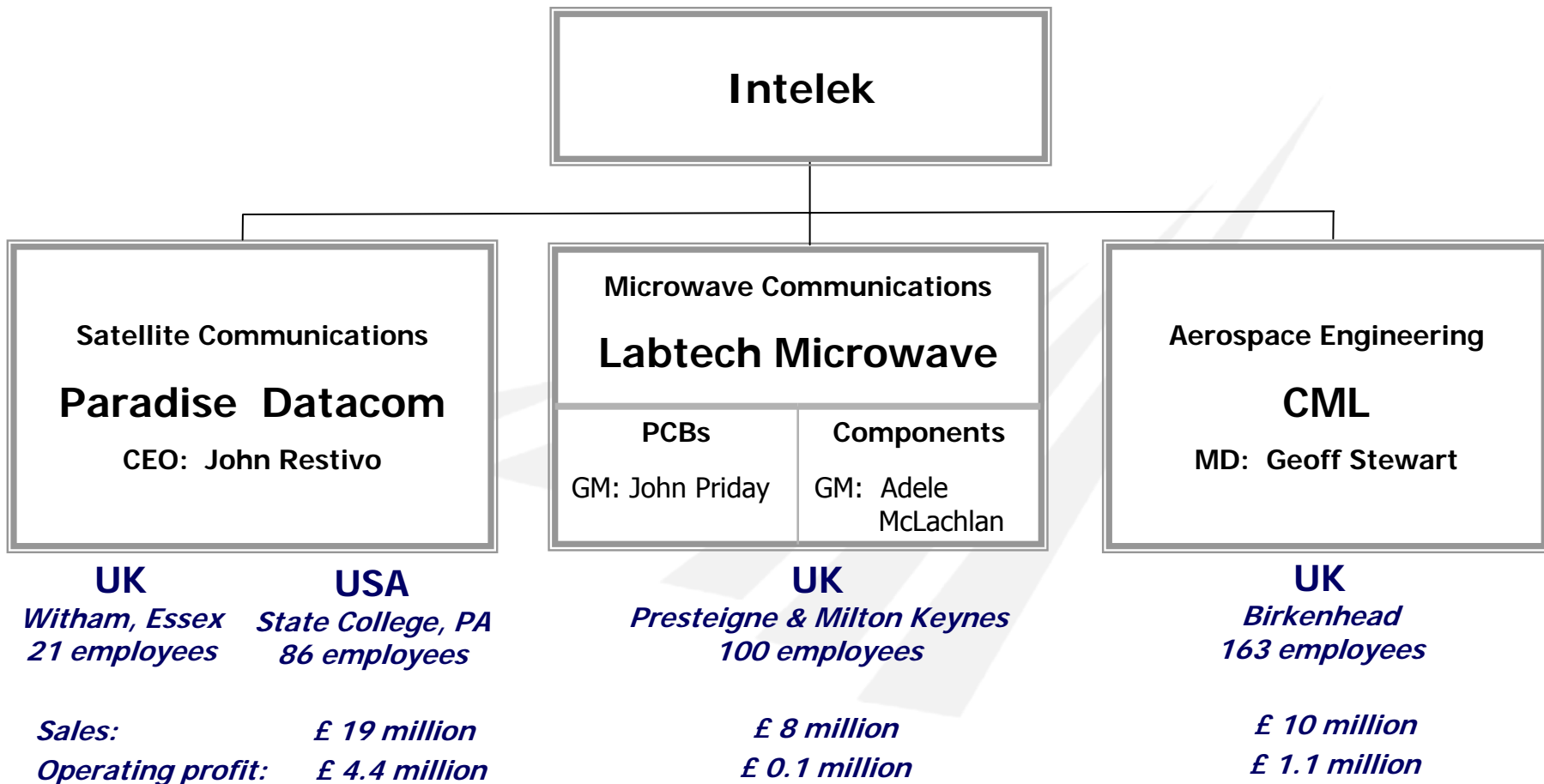
Group Highlights

- Resilient performance in a challenging environment
- Government and defence business driving performance
 - 75% increase in sales to North America, mostly Government
- Commercial sales lower, as expected
- Prompt action taken to cut costs
- Underlying PBT £3.9m, ahead of management's expectations (2009: £4.1m)
- Final dividend maintained
- Net debt reduced 58% to £1.6m (2009: £3.8m)
- Interest cover increased to 26x (2009: 19x)

Strategy

- Develop a communications group for voice, video and data
- Focus on expanding niche sectors:
 - Defence, security, telecom and broadcast
- Growth through R&D, global presence and acquisitions
- In Aerostructures, increased emphasis on Composites

Group Structure



Customers



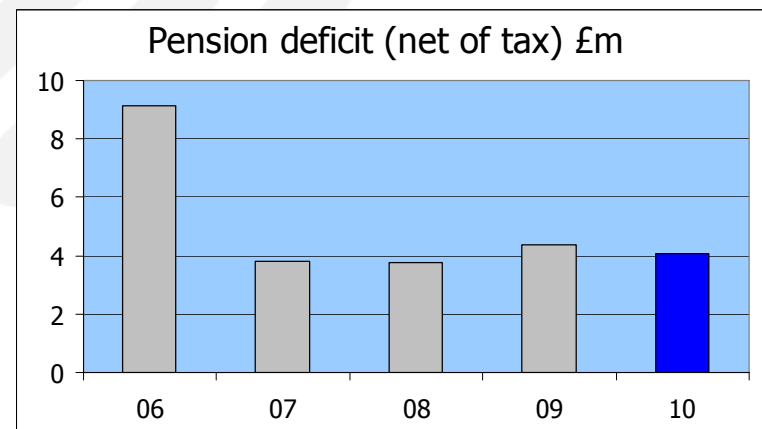
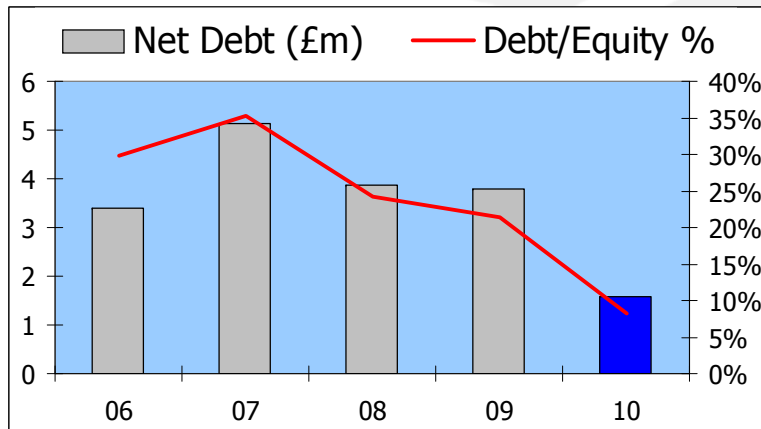
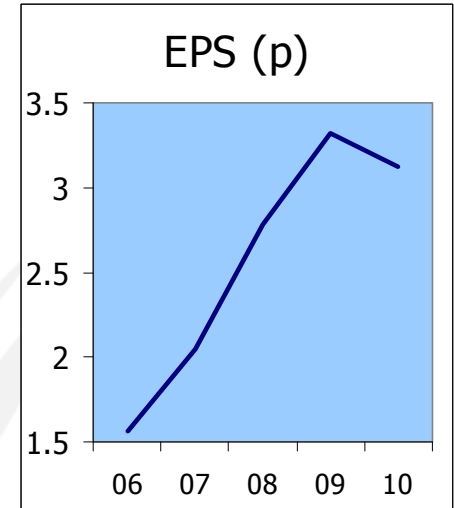
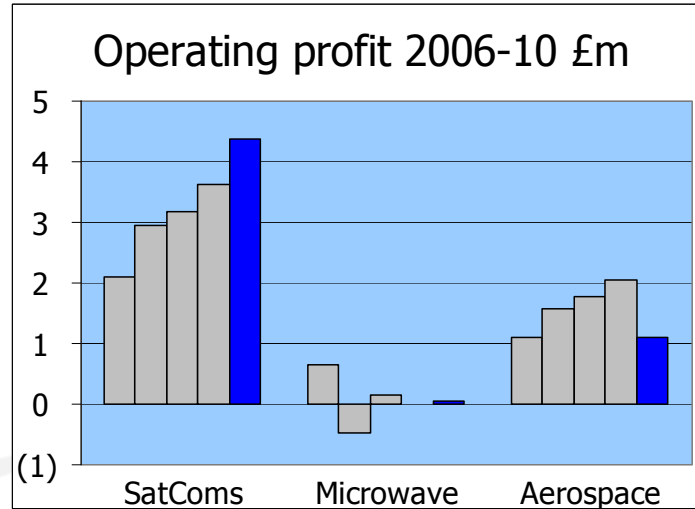
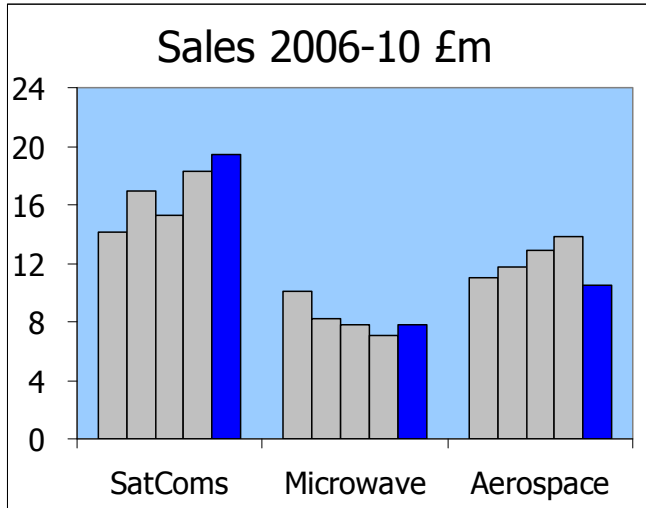
Financial Summary

£'000		2009/10	2008/09
Sales		37,706	39,276
R&D		(2,698)	(2,667)
Underlying:	EBITDA	5,870	6,022
	PBT	3,932	4,080
	EPS	3.12p	3.32p
Exceptional items		(721)	(417)
PBT		3,211	3,663
Basic EPS		2.52p	2.97p
Dividend declared for the period		0.465p	0.465p
Free cashflow (pre-exceptional and pension)		4,303	2,515
Cashflow for exceptional items and pension		(1,648)	(1,180)
Net assets (excl net debt and pension)		24,771	25,767
Net debt		(1,588)	(3,785)
Pension deficit (net)		(4,062)	(4,365)

Free cashflow is defined as EBITDA plus working capital movement, less tax and capital spend



5 Year Trend





PARADISE DATACOM

Products and Markets

Global presence in a range of markets:

- Defence / Government
- Oil & Gas / Mining
- Telecommunications
- Internet / Broadcast



Niche markets, limited competition:

- A world leader in SSPA technology
- World standard in satellite modem



Also Converters, LNAs & other satcom products



Paradise Datacom

Highlights

Sales £19.5m (£18.3m); Profit £4.4m (£3.6m)

- Operating profit up 20%, margin increased to 22.5% (20%)
- Record performance despite challenging commercial market
- Significant multi-year US Government programmes
 - \$6m shipped on one programme
 - Orders for high-power military SSPAs up 6X since '07
 - New Ka Band SSPA designed/delivered in year
- New bandwidth saving modem launched Oct 09 – sales \$2m
- World's highest power SSPA completed – 1st order taken in April '10
- Phoenix design centre complete new converter range
- New patents under application





LABTECH MICROWAVE

Products and Markets

Large addressable market

Integrated services: Design, manufacture, assembly and test

Non-US source for defence contractors

High spec telecoms

Expanding opportunities:

- Phased array radar
- Wireless microwave links
- Military signalling and detection
- Air traffic control



Labtech Microwave

Highlights

Sales £7.8m (£7.3m); Profit £0.1m (Breakeven)

- Sales up 7%, with 35% growth in defence and Air Traffic Control
- Commercial market impacted by recession
- Established on several Phased Array radar platforms
 - Phased Array now the preferred option for military sector
- Large programme for high performance radio link PCBs
- Strong sales of own-design DLVA and other amplifiers
- Combined offering unique in UK (PCB, assembly, design, test)
- Managing cost base down in face of market conditions





CML

Products and Markets

CML evolving as market changes:

Environmental pressures to replace aircraft

Ageing US fleet

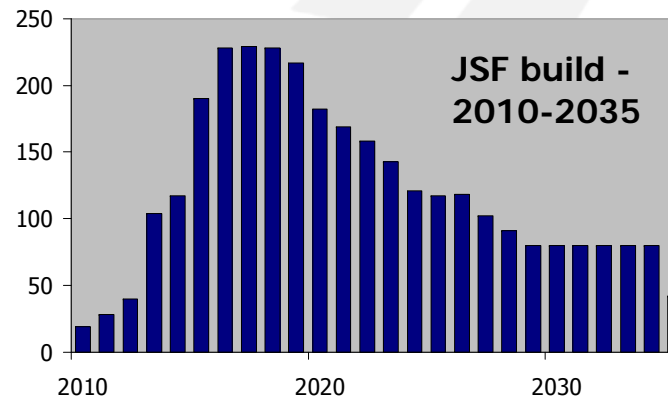
Composite materials replacing metal

Major military upgrades + UAVs



* - wing deliveries

	2008	2009	2010	2011	2012
A320 family (*)	392	403	390	418	420
A330/340 (*)	91	89	83	92	93
Hawker Beechcraft	95	53	31	31	50
F35 (JSF) build	2	12	19	28	40



CML

Highlights

Sales £10.5m (£13.9m); Profit £1.1m (£2.0m)

- Sales hit by well publicised downturn in corporate jet market
- Airbus build rate holding up
- Prompt action taken to reduce capacity and overheads
- £0.5m fast turn-round Composites work on A400M
- Increasing emphasis on defence and composites
 - New facility opening July 2010
 - JSF programme - £0.8m orders taken for next stage
 - New opportunities expected on JSF and other platforms

Outlook: 2010/11

- Focus on military and security opportunities
- Paradise Datacom - benefit from multi-year programmes and products launched in 2009
- Labtech – slow start to year; recovery in 2nd half
- CML - solid programme coverage; investment in new Composites facility

“Overall, the Board expects to see a return to sales growth year on year, whilst increasing investment in our facilities and product development as we prepare for growth in the years ahead.”

A decorative graphic consisting of several parallel, light gray diagonal stripes that fan out from the bottom left towards the top right, creating a sense of depth and movement. The stripes are evenly spaced and have a soft, ethereal appearance.

Appendices

Intelek's History

- 1949 Company founded
- 1983 Listed on London Stock Exchange
- 1990 Acquisition of Labtech
- 1995 Acquisition of Pascall Electronics
- 1995 Company name changed to Intelek plc
- 2001 Acquisition of Paradise Datacom
- 2002 Acquisition of transceiver product line
- 2005 Disposal of Pascall Electronics
- 2005 Acquisition of Filtronic's Microwave Components Division
- 2006 Transfer to AIM