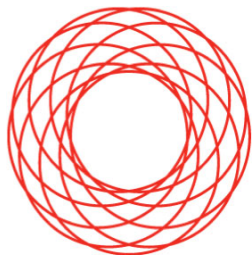

Shore Capital Agri-Food Seminar

Thursday, 16th May

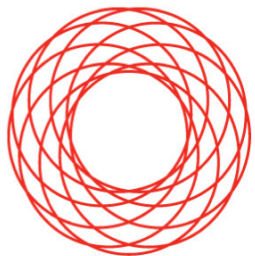
The Royal Institution



DEVRO

Peter Page

Chief Executive Officer



DEVRO

Devro: The collagen casing company

Global Leader

- One of the world's leading providers of collagen casings for the processed meats sector
- Provides technical support to food manufacturers

Global Operations

- Over 2,000 staff across the world
- 5 manufacturing sites in Scotland, Australia, the Czech Republic and the USA

Collagen

- Main raw material taken from the hide of carefully selected animals certified for food use
- A complex naturally-occurring polymer with unique characteristics

Technology

- Significant investment in the latest processes funded from internal cash generation
- Improved manufacturing performance and increased capacity



What we do...



DEVRO PROCESSED / SELECT



DEVRO

The global leader



**Sandy Run -
USA**



Glasgow - UK



Jilemnice - CR



Bathurst - AUS



Europe	1,484
Asia/Pacific	275
America	386
Total Employees	2,145

Sales Offices

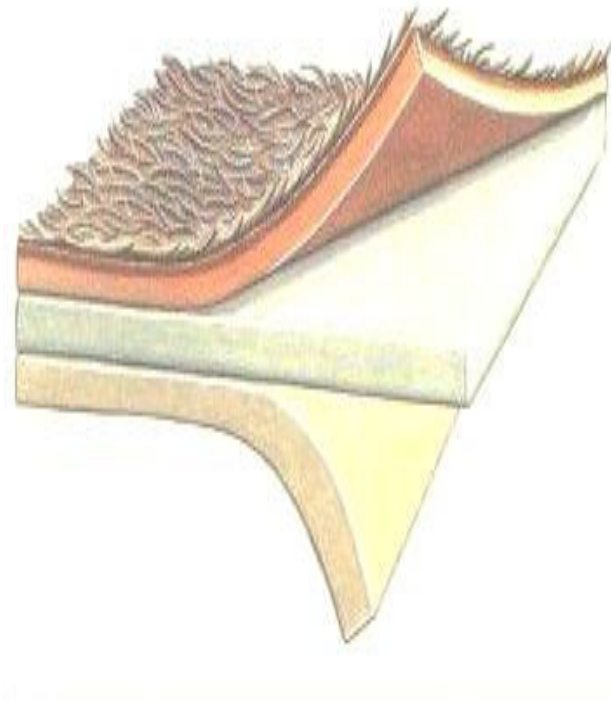
Hamburg, Moscow, Miami, Auckland, Beijing, Hong Kong & Tokyo



DEVRO

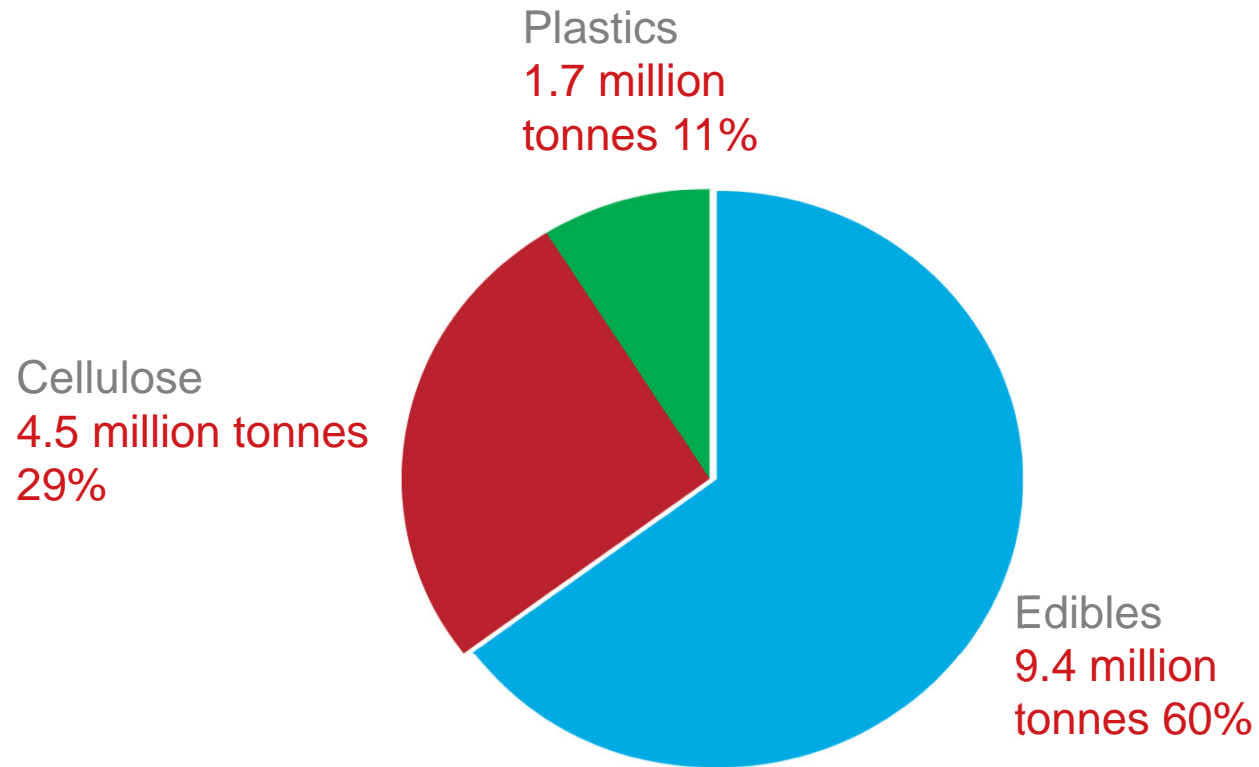
...in collagen casing

- COLLAGEN is taken from the hide of carefully selected animals certified for food use
- BOVINE hide consists of three layers and the collagen used for Devro edible casing and film is derived from the middle collagen rich layer



Many ways to skin a sausage

- 2012 global sausage production by casing type
(15.6 million tonnes)

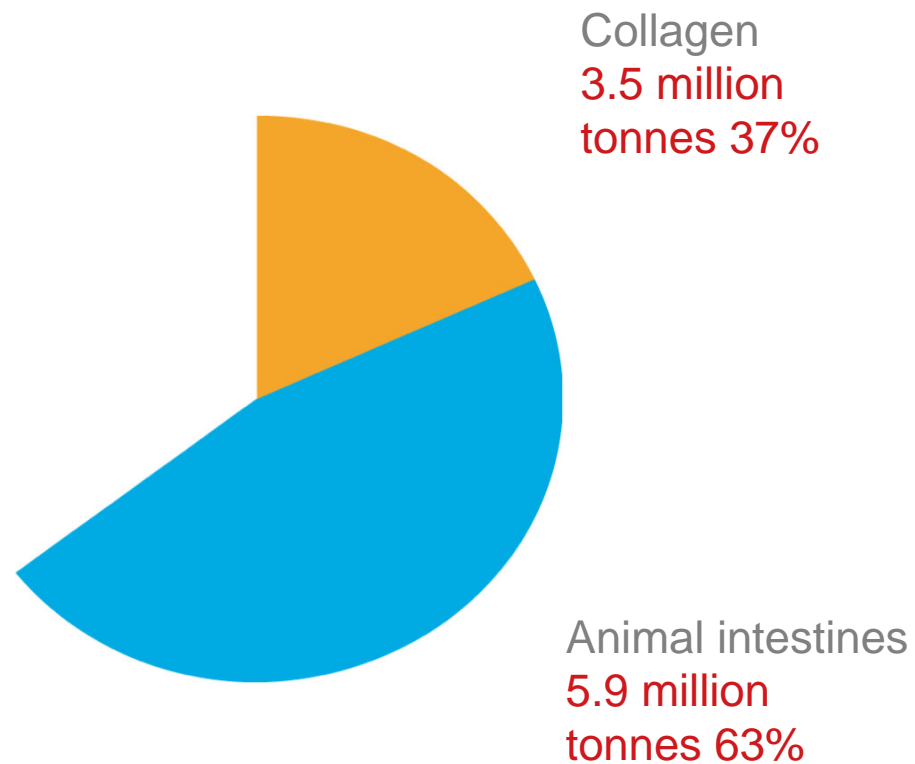


DEVRO

Source: Devro plc Market Intelligence database – 2012 by type (calibre 13-34mm)

Edible – the opportunity for collagen

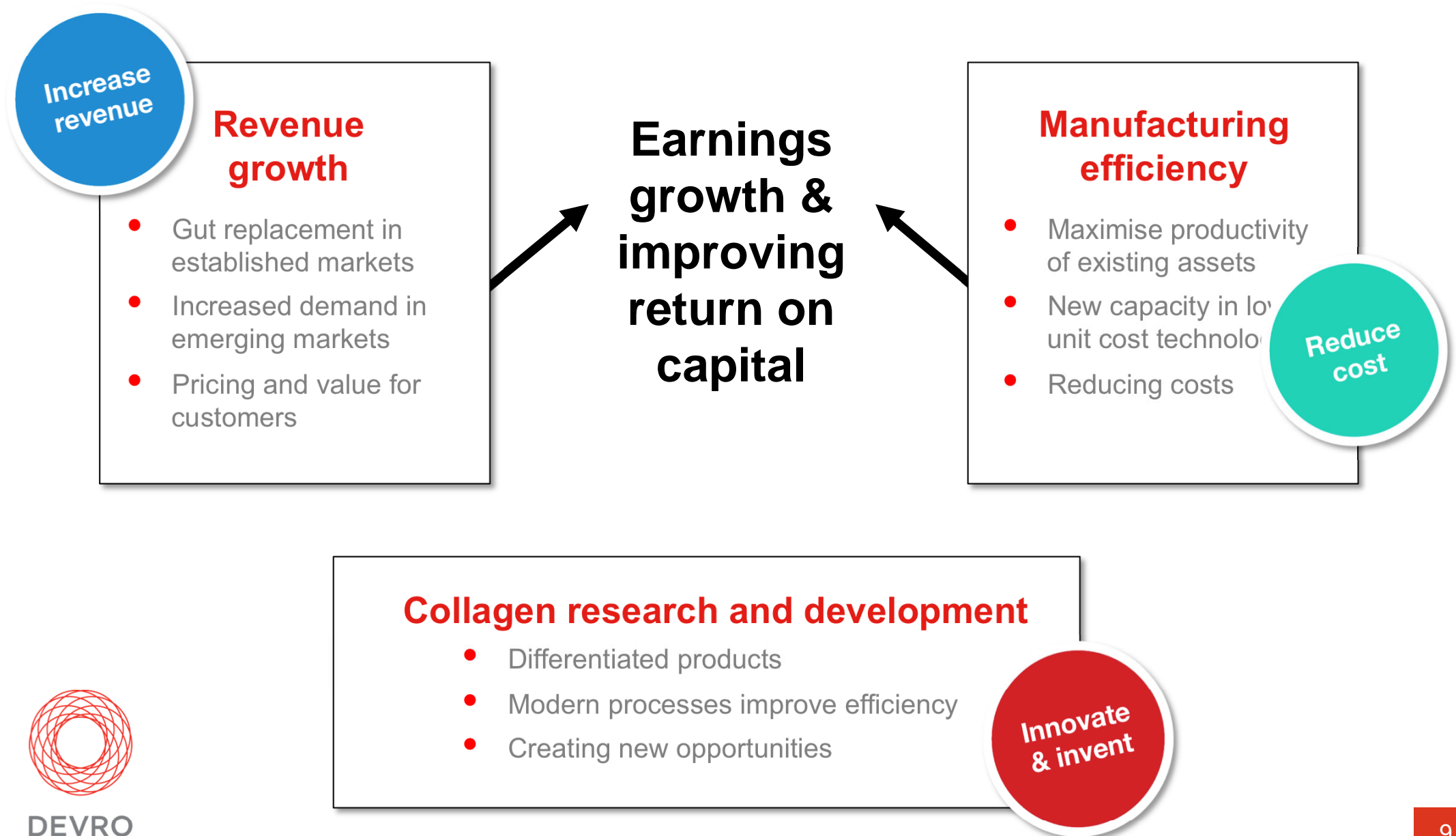
- 2012 global sausage production in edible casing (9.4 million tonnes)



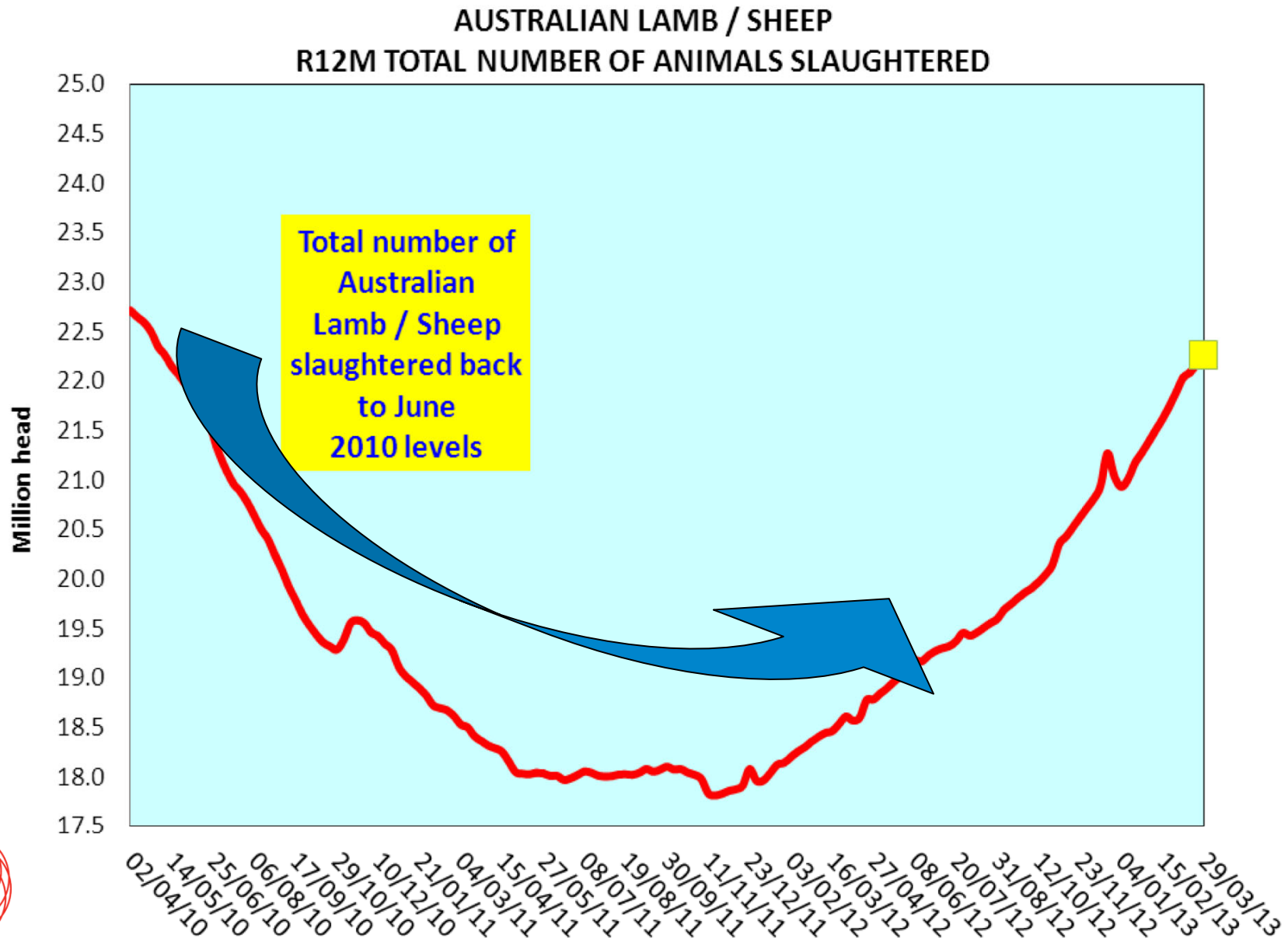
DEVRO

Source: Devro plc Market Intelligence database – 2012 by type (calibre 13-34mm)

Our three-part strategy

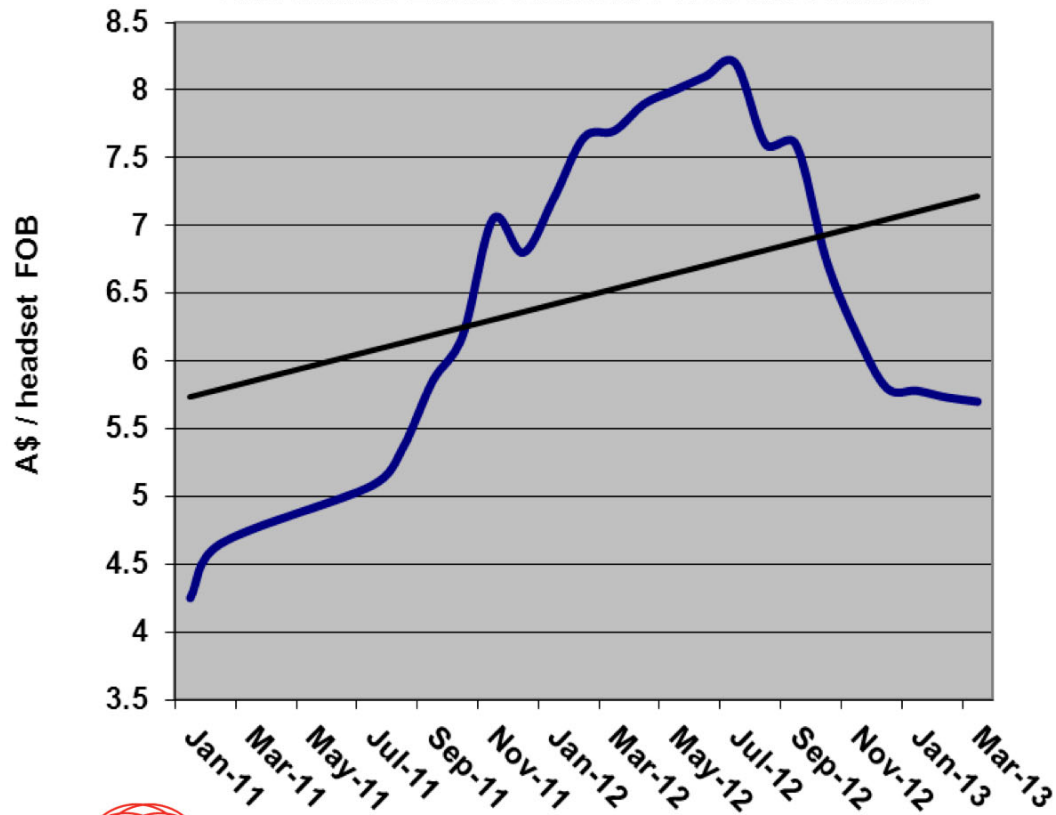


Demand & gut supply dynamics

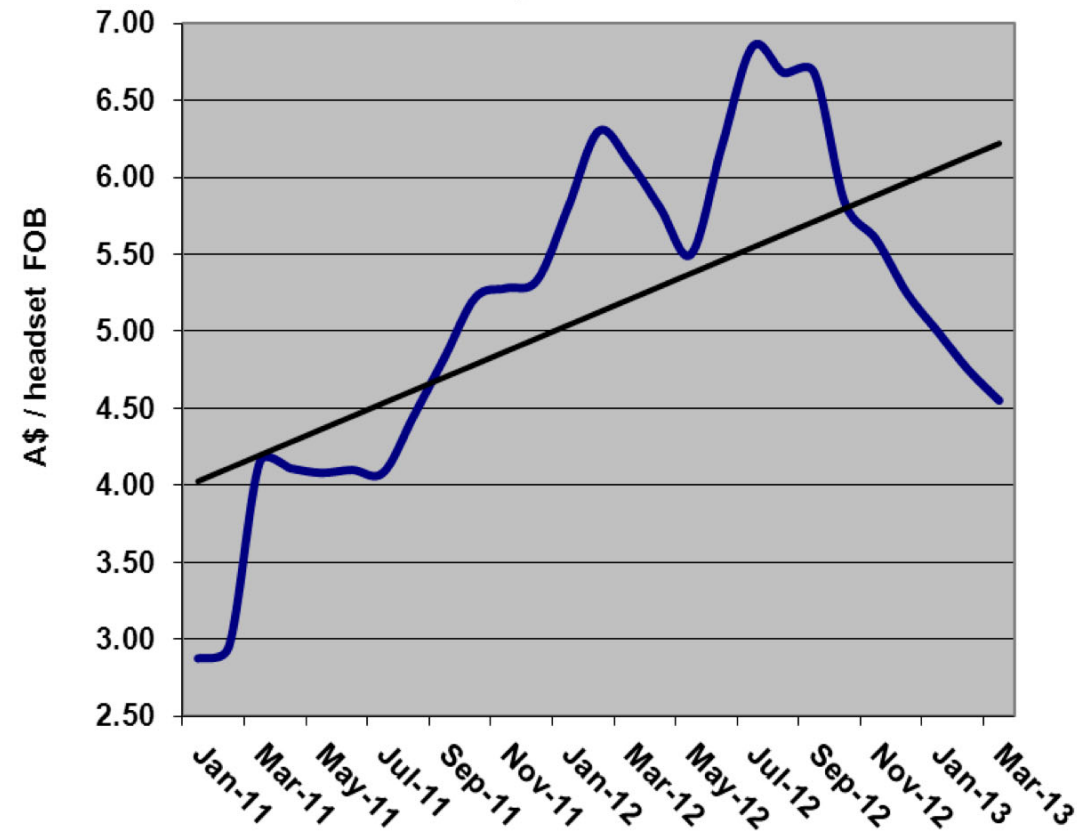


Demand & gut supply dynamics

Australian Lamb Runner Price Movement



Australia Sheep Runner Price Movement



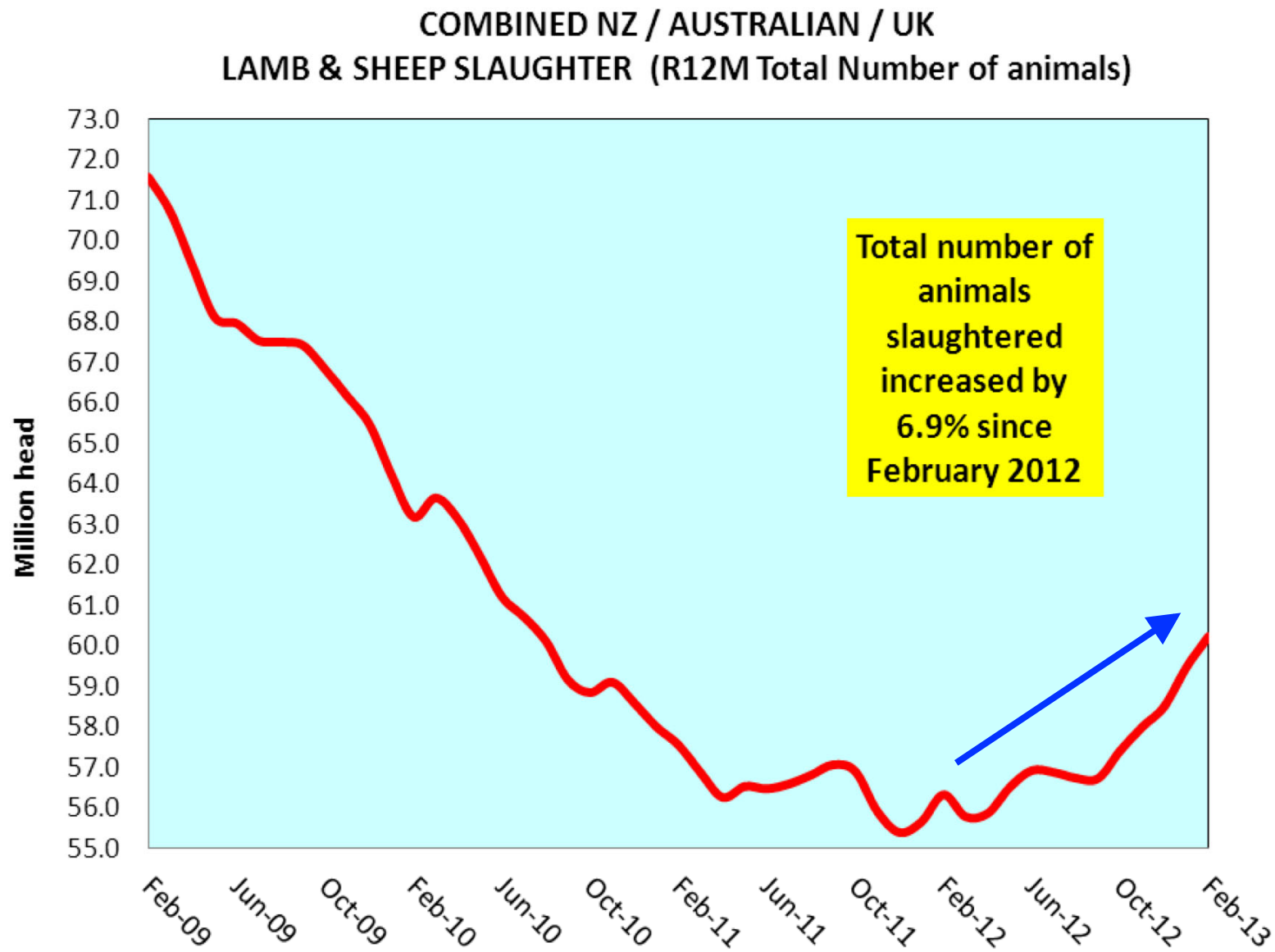
DEVRO

Source :



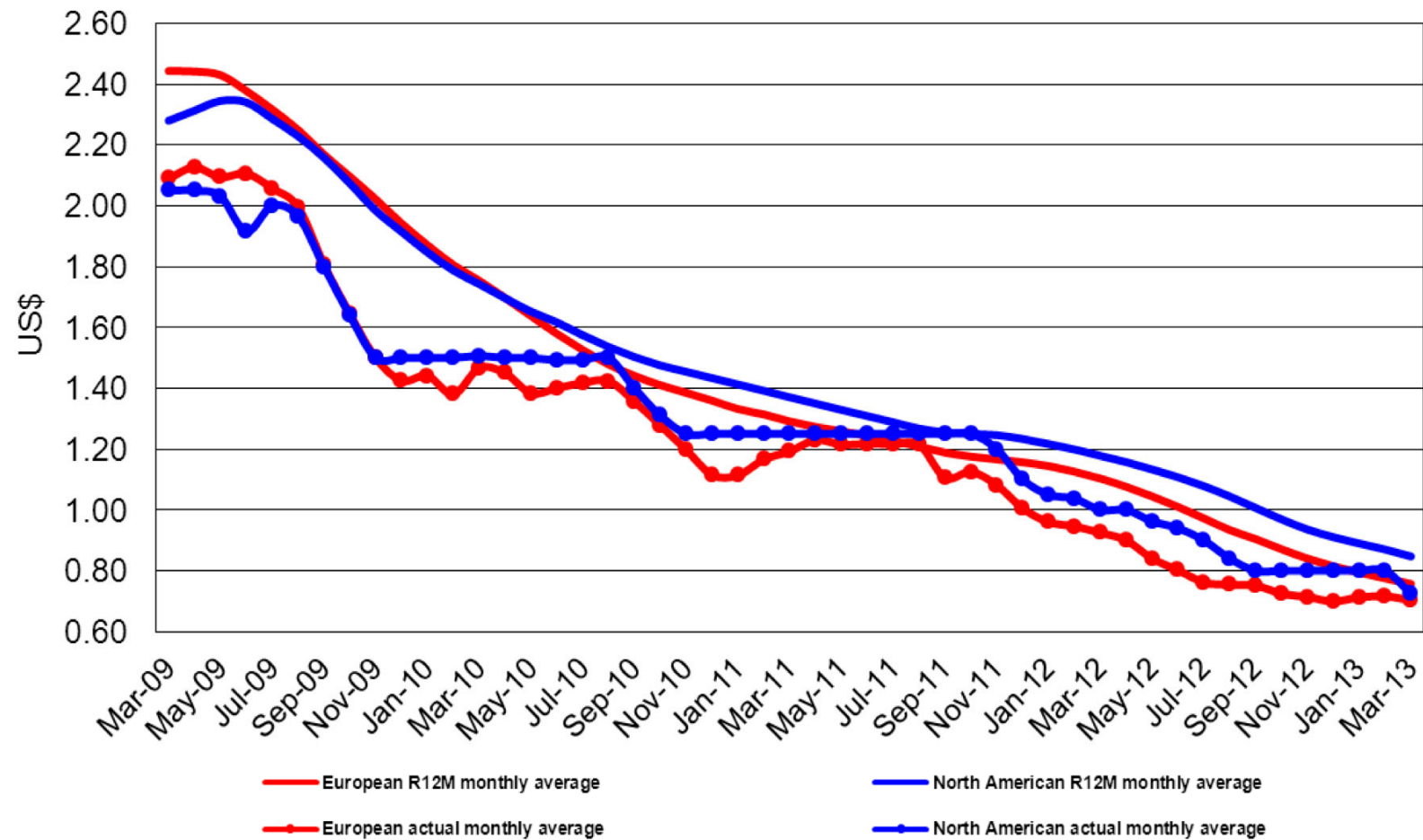
Australian Government
Australian Bureau of Agricultural and
Resource Economics - Bureau of Rural Sciences

Demand & gut supply dynamics



Demand & gut supply dynamics

Hog Gut price trend - "18m headset" before selection
(Source: The Jacobsen)



Financial highlights

FOR THE YEAR ENDED 31 DECEMBER 2012

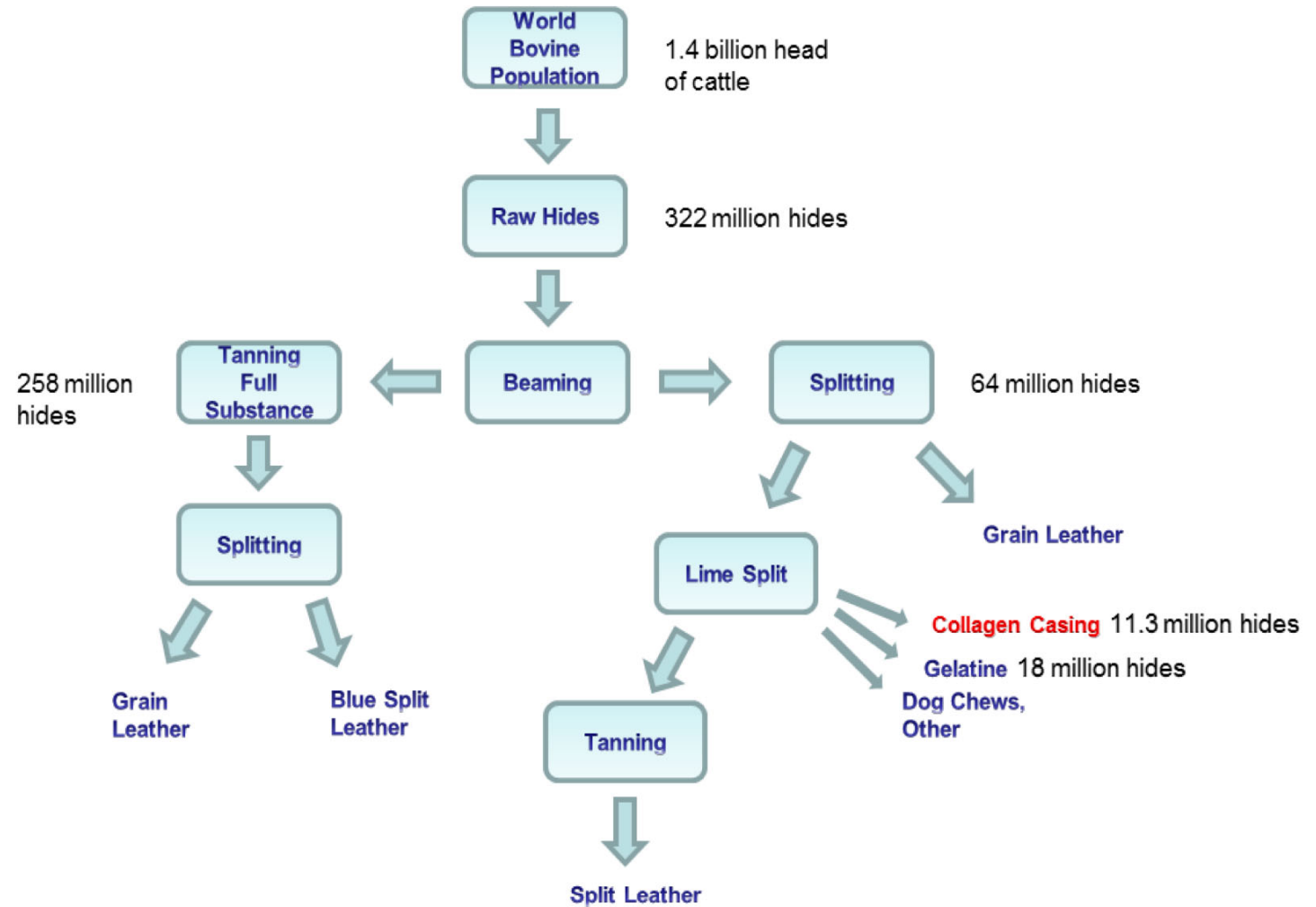
Continuing operations	2012 £m	2011 £m	Increase %
Revenue	241.1	227.7	+ 5.9%
EBITDA	59.1	56.5	+ 4.7%
Operating profit (EBIT)	43.2	42.7	+ 1.3%
Earnings per share excluding net finance (cost)/ income on pension	20.7p	20.2p	+ 2.2%
Cash generated from operations	48.1	45.1	+ 6.7%
Dividend	8.5p	8.0p	+ 6.3%



DEVRO

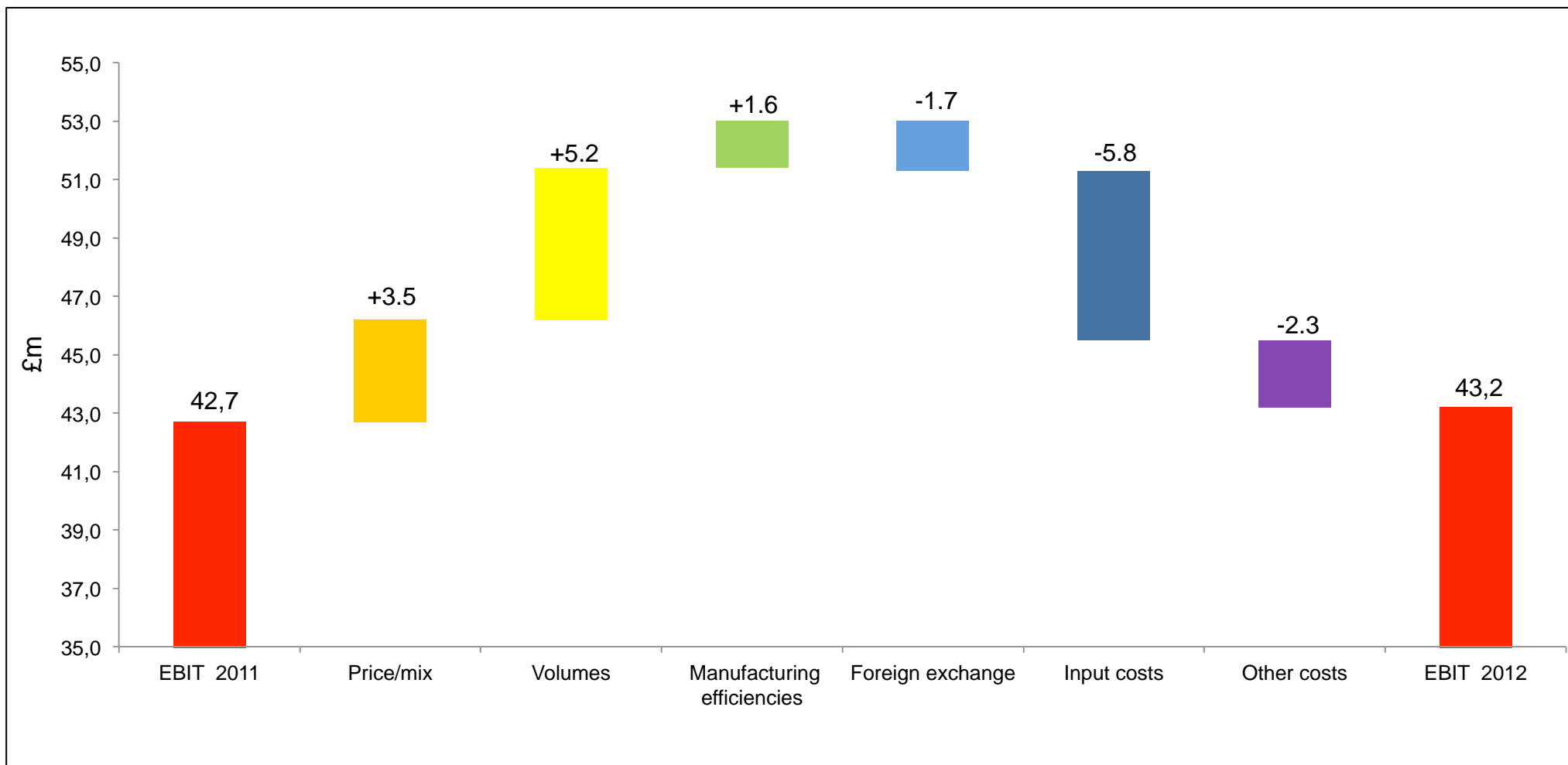
Inputs: hide availability

- There are plenty of hides available: price and 'leather type' demand determine availability for raw material
- The drivers of price are
 - raw hide price
 - gelatine price
 - blue split price
 - automotive / upholstery leather demand
 - casing demands



EBIT bridge

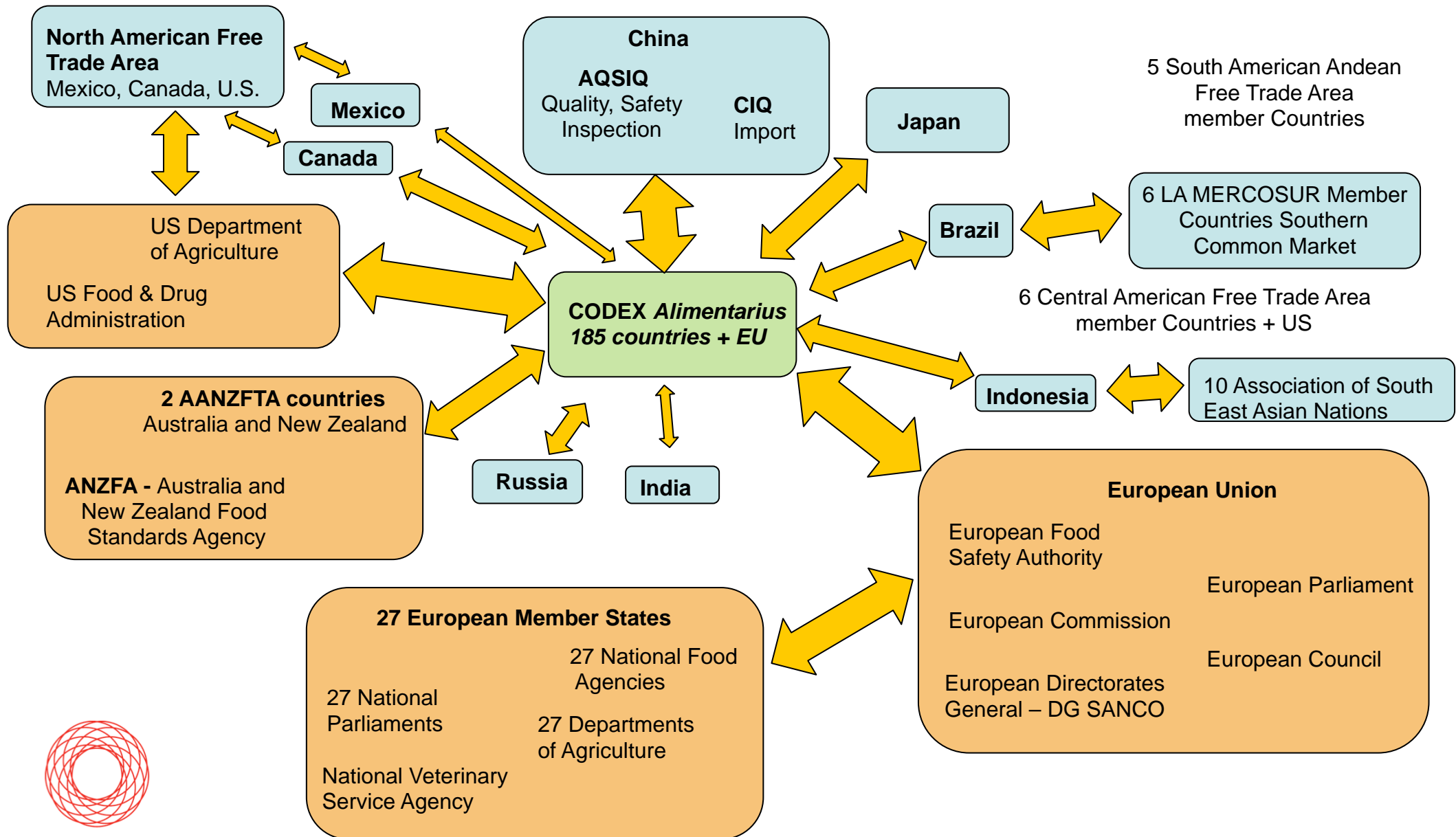
DECEMBER 2011 EBIT TO DECEMBER 2012 EBIT



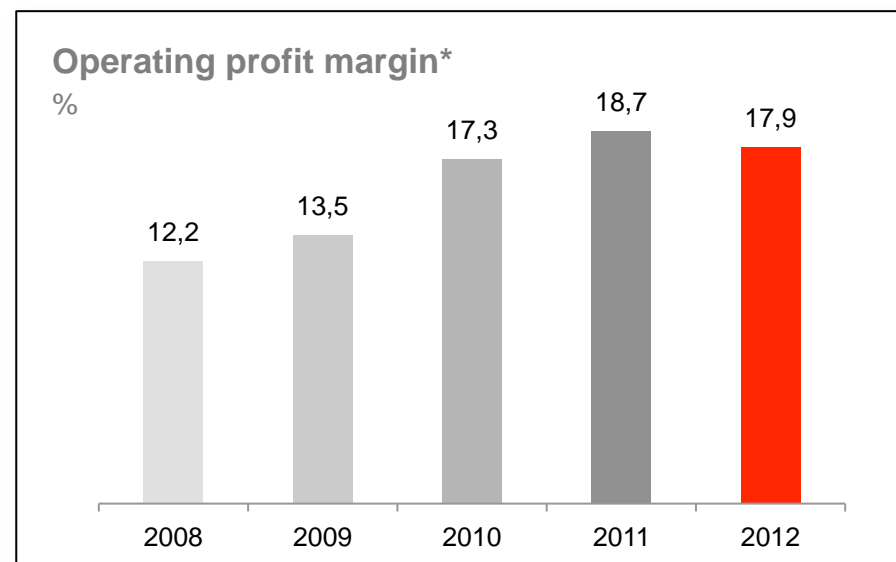
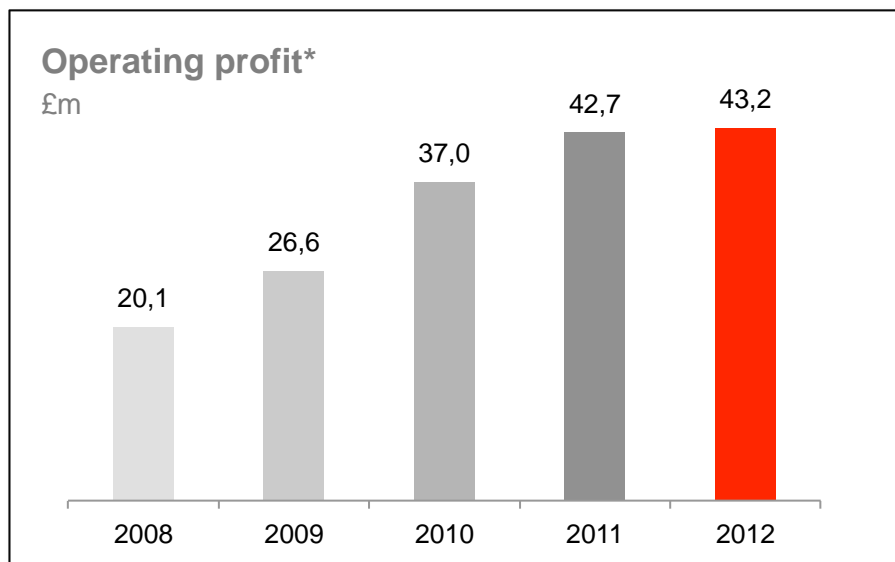
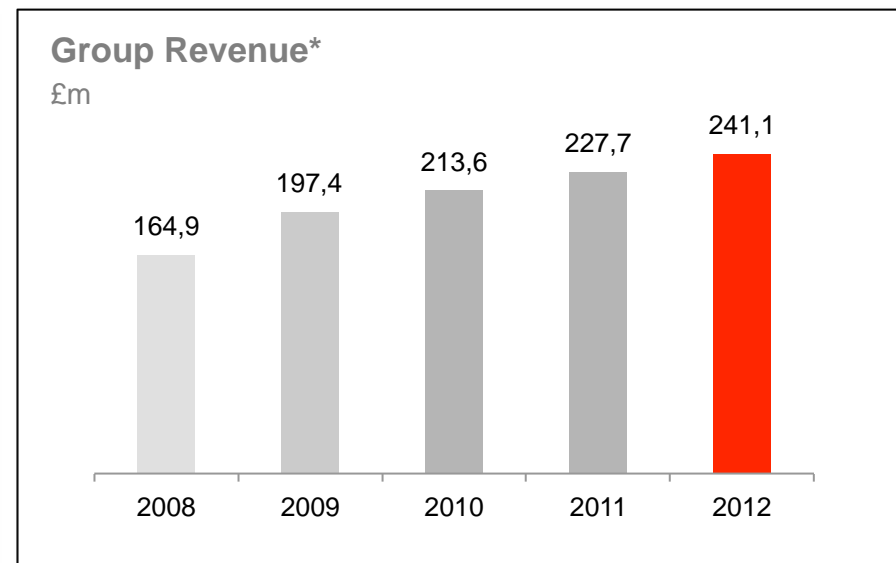
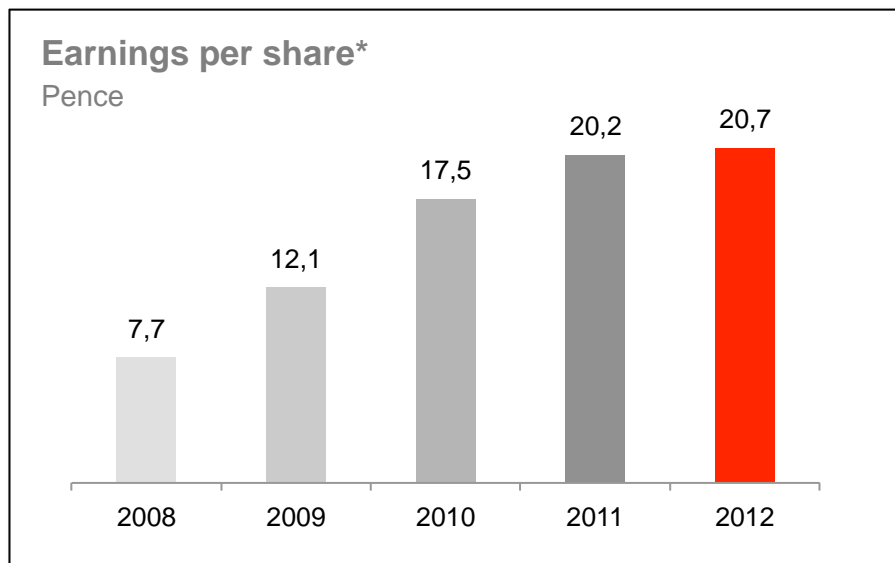
DEVRO

Regulatory environment:

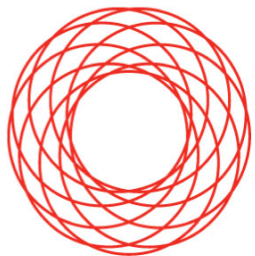
Animal derived products, manufactured in four countries, sold globally



Financial highlights – continuing operations



Thank you



DEVRO