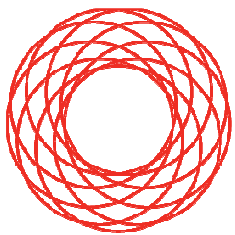

July 2012

INTERIM RESULTS FOR THE SIX MONTHS ENDED 30 JUNE 2012



DEVRO

Devro: The collagen casing company

Global Leader

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

Global Operations

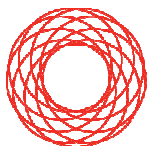
- Over 2,000 staff across the world
- 5 manufacturing sites in the Czech Republic, Scotland, USA and Australia

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



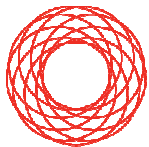
DEVRO

Devro: The collagen casing company

Continued progress at the half year



Investing capital for growth



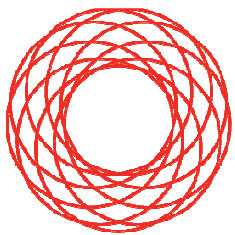
DEVRO

Devro: Highlights

- Strong sales growth, revenues up 7.7%
- Operating profit up 6.5%, despite higher input costs
- Increasing demand for *Select* which now accounts for 8.1% of group sales
- Investment projects progressing
- New board and senior management appointments



SIMON WEBB
GROUP FINANCE DIRECTOR

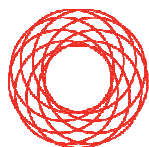


DEVRO

Financial highlights

For the six months ended 30 June 2012

Continuing Operations	2012 1 st half £m	2011 1 st half £m	Increase %
Sales	115.4	107.1	+ 7.7%
EBIT	20.7	19.5	+ 6.5%
PBT excluding net finance expense/income on pension	20.2	19.1	+ 5.7%
Earnings per share excluding net finance expense/income on pension	9.9p	9.2p	+ 7.6%
Dividend	2.65p	2.5p	+ 6.0%
Net debt	31.4	24.0	
Gearing	22.7%	14.3%	
Discontinued operation PBT	0.0	0.1	

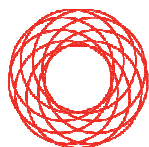


DEVRO

Income statement

For the six months ended 30 June 2012

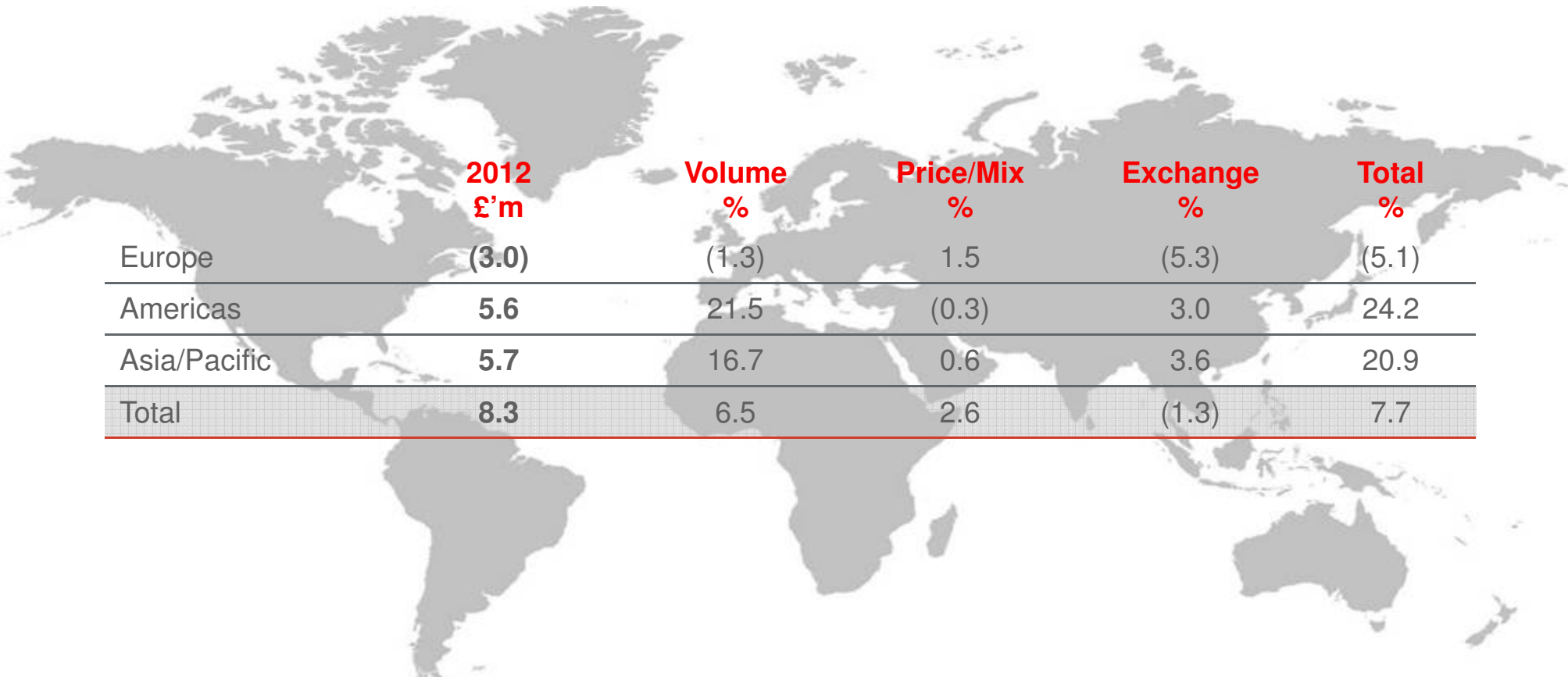
Continuing Operations	2012 £m	2011 £m
Sales	115.4	107.1
Operating profit	20.7	19.5
Operating margin	18.0%	18.2%
Net interest expense	(0.5)	(0.4)
Net pension finance (expense)/income	(0.6)	0.5
Profit before taxation	19.6	19.6
Taxation	(3.9)	(4.0)
Profit for the period – continuing operations	15.7	15.6
Discontinued operation	-	0.1
Profit after taxation including discontinued operation	15.7	15.7



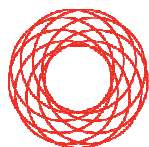
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Regional sales by destination

Six months ended 30 June (change vs. half year 2011)



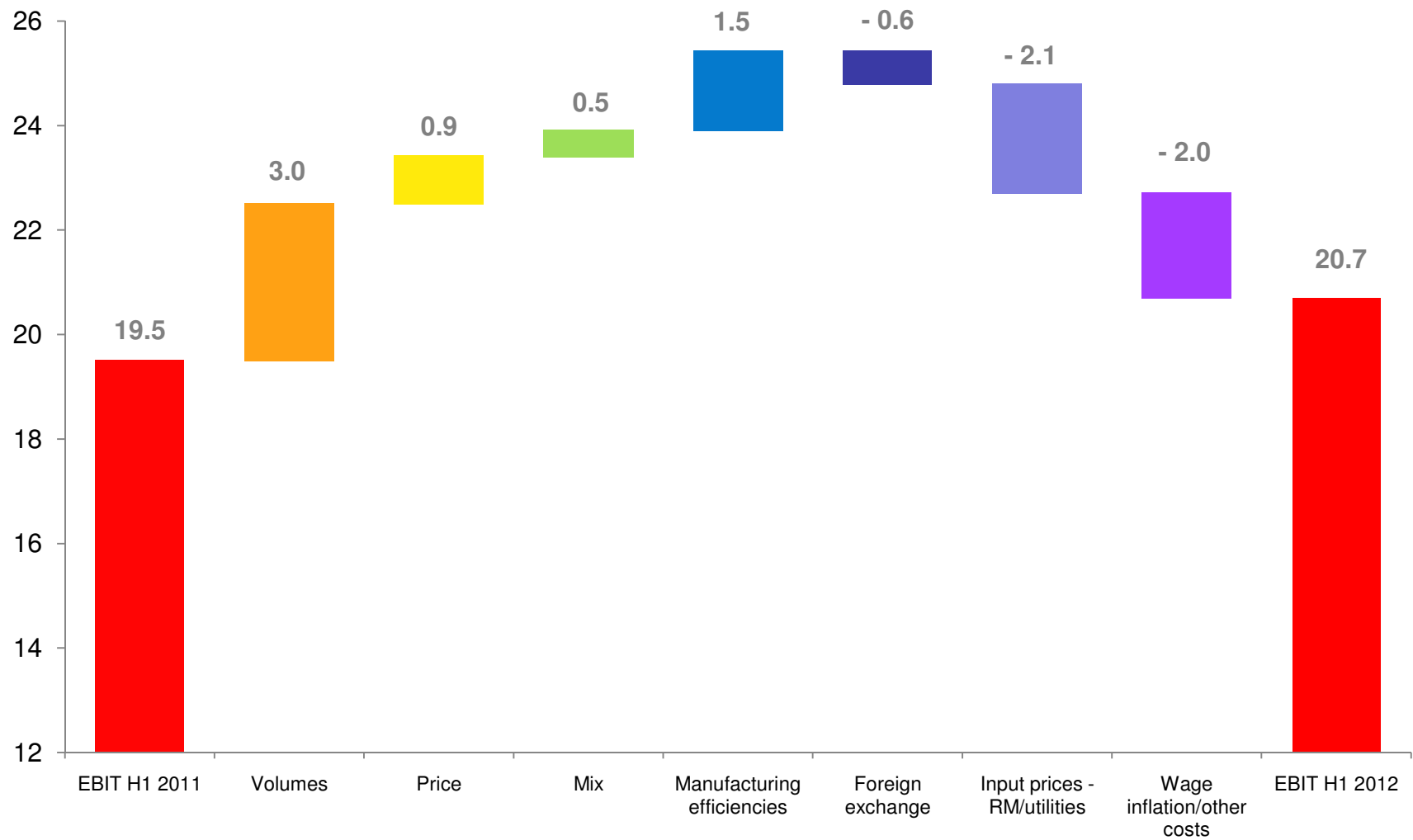
	2012 £'m	Volume %	Price/Mix %	Exchange %	Total %
Europe	(3.0)	(1.3)	1.5	(5.3)	(5.1)
Americas	5.6	21.5	(0.3)	3.0	24.2
Asia/Pacific	5.7	16.7	0.6	3.6	20.9
Total	8.3	6.5	2.6	(1.3)	7.7



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EBIT bridge

June 2011 EBIT to June 2012 EBIT

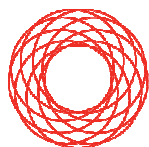


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Movement in net debt

	2012 1 st half	2011 1 st half
Net debt	£31.4m	£24.0m
Gearing	22.7%	14.3%

- Significant on going investments in capital
- Invested £39.3m since 30 June 2011
- Working capital continues to be tightly managed



Pensions

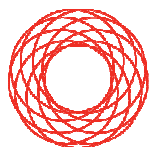
Group Defined Benefit Pension Schemes

	June 2012 £m	Dec 2011 £m	June 2011 £m
Net pension deficit	51.5	46.2	10.3

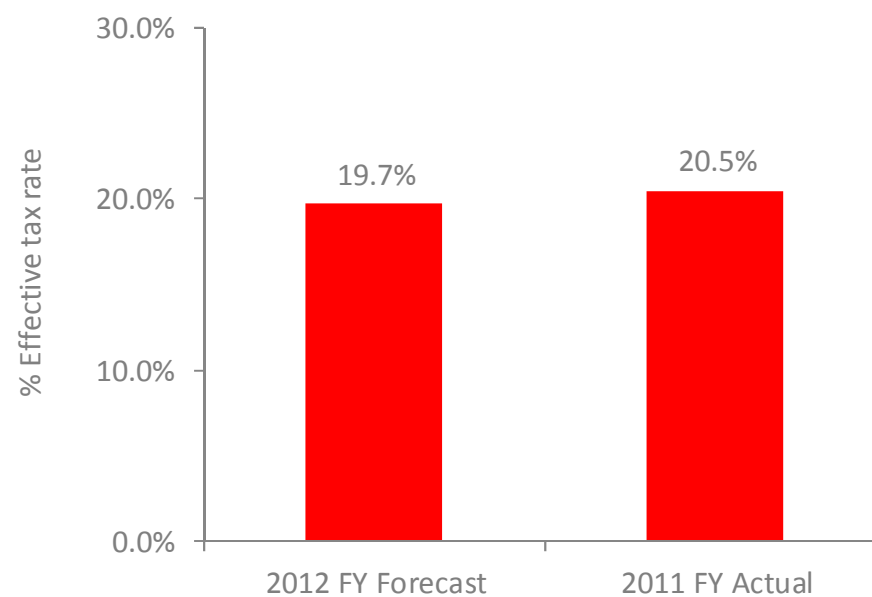
- Discount rates continue to fall

	June 2012 £m	June 2011 £m
Interest (expense)/income	(0.6)	0.5

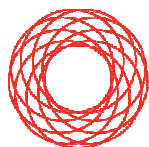
- Net interest expense on pensions reflects the underlying deficit of the schemes



Taxation



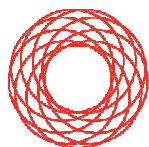
- Investments in Czech Republic
- Lower group tax rate expected to continue until 2017



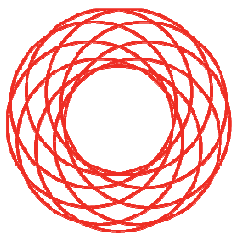
DEVRO

Other key performance indicators

	2012 1st half	2011 1st half	Increase/ (decrease)
ROCE	20.4%	20.9%	
Basic earnings per share excluding net finance expense/income on pensions	9.9 p	9.2p	7.6%
Interim dividend	2.65p	2.5p	6.0%

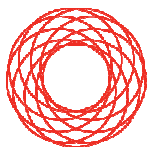
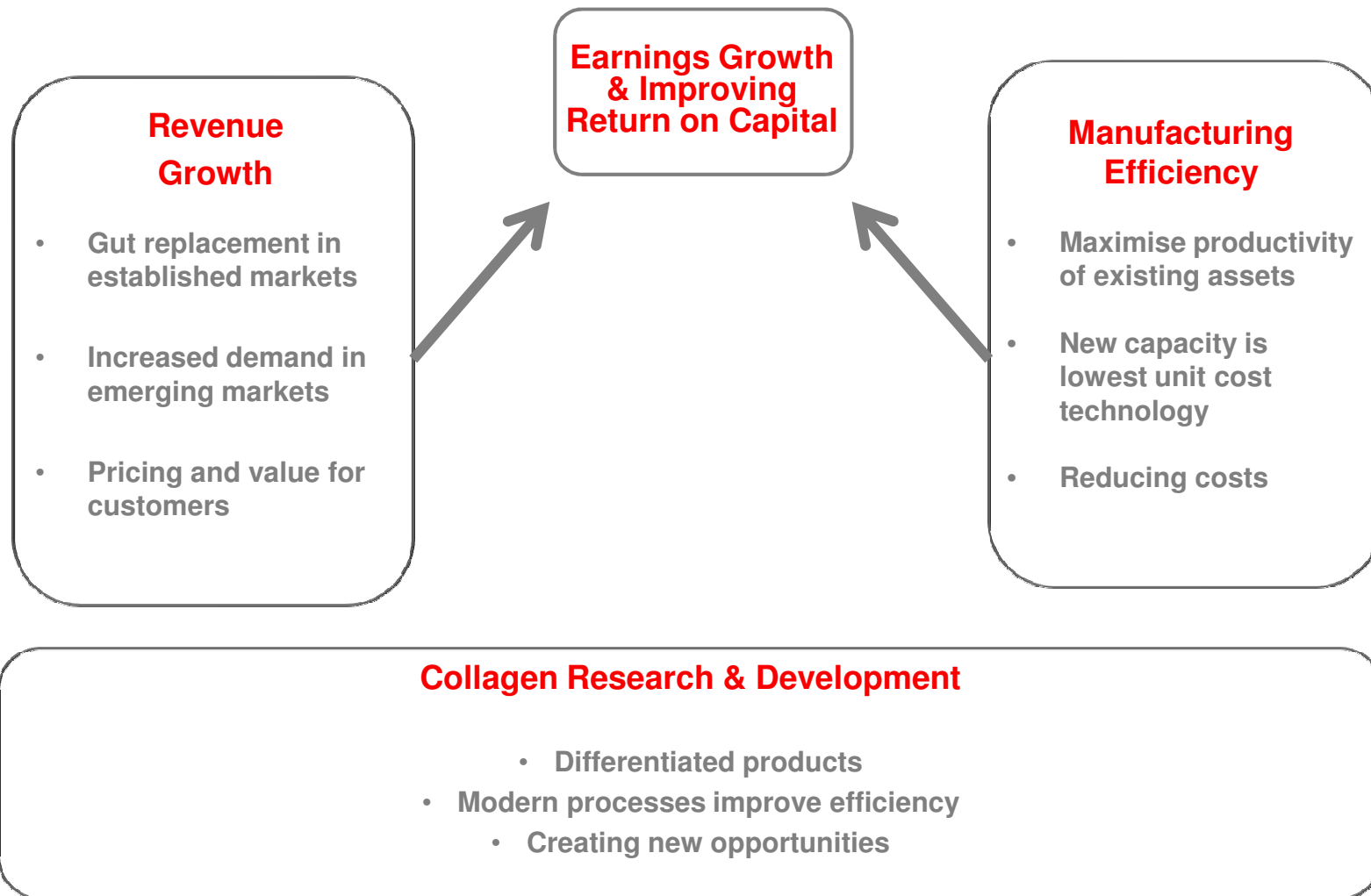


PETER PAGE
CHIEF EXECUTIVE OFFICER



DEVRO

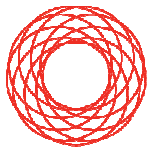
Our three part strategy



DEVRO

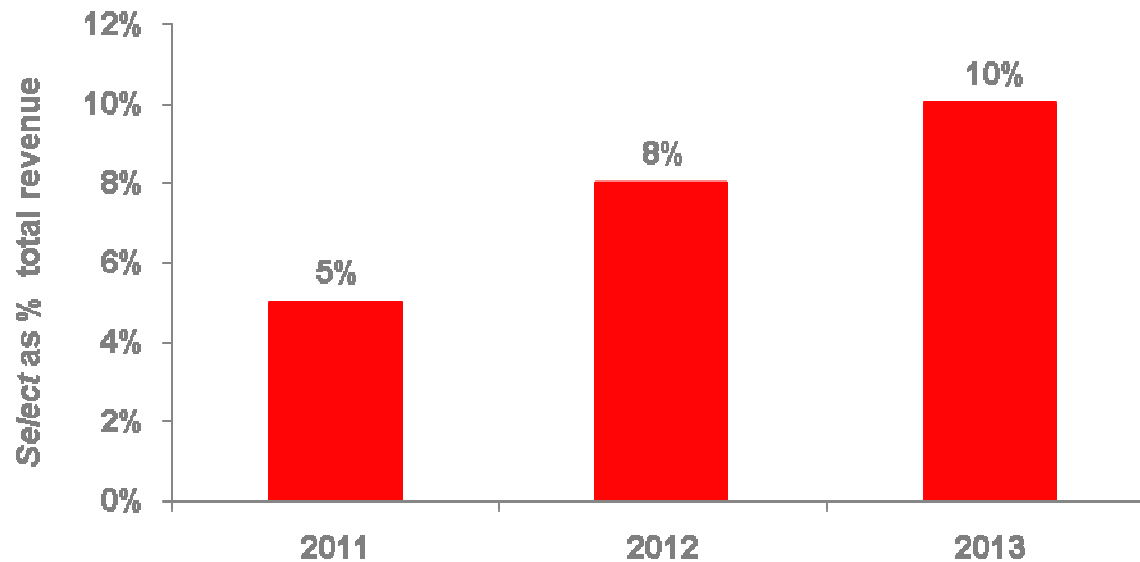
Sales

- Total revenues + 7.7%
- Volumes of edible collagen + 9.1%
- *Select* now 8.1% of total sales revenues and continuing to grow
- Average unit price edible collagen +1.7%
- 'Gut conversions' since 2009 account for an estimated 11.4% of sales volumes



Select casings progressing well

- Demonstrates that product differentiation is possible and profitable



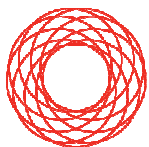
DEVRO

Established markets

- 65% of group sales
- Volumes of edible collagen + 5.5%
- *Select* very well received in Japan
- Western Europe and Scandinavia growing – no noticeable impact of Euro woes on volumes
- UK total sausage market volumes grow but collagen as a proportion slightly lower as a small number of product lines moved back to hog gut casing
- USA edible collagen casing volumes increase



Select Tokyo Seminar



DEVRO

Emerging markets 35% of group sales – volume growth

Latin America & Mexico

- Volume +49%
- Revenue (LC) +55%
- Improved price mix
- Sales through distributors

Eastern Europe & Russia

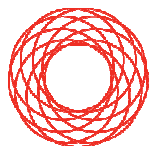
- Volume +5%
- Revenue (LC) +9%
- Combination of Devro sales & distributors

South East Asia

- Volume +11%
- Revenue (LC) +9%
- Sales through distributors

China

- Volume up
- Revenue (LC) up
- Good progress on product introductions to leading manufacturers



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Manufacturing and investments

- Energy costs have increased although impact partly mitigated by successful implementation of Australian co-generation facility
- Hide raw material costs have risen more than expected due to significantly lower beef production in Latin America and some reductions in the USA, and continuing transfer of processing capacity to China and Asia
- Increased efficiency of new lines helps to mitigate input cost increases although commissioning has taken longer than originally expected
- Czech investments continue on schedule for completion in H2 2013



People

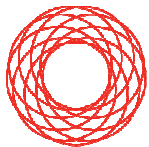
- Devro Scotland *Investors in People* silver award
- 18 colleagues completed Open University Business School Management course
- Accreditation of specific food hygiene qualification for collagen casings manufacture
- Senior appointments in Human Resources, Strategy and Marketing and Group Finance
- Establishing a strong local management team in Beijing and Hong Kong



DEVRO

Outlook

- Global demand remains strong
- Continued sales growth for Devro: volume, value and pricing
- Input cost increases will remain for 2012
- Capacity increases and efficiency improvements will continue
- On track to meet the Board's expectations for the full year



DEVRO