



Protection and Finishing Products

Robert Purcell

Divisional Managing Director

May 2010

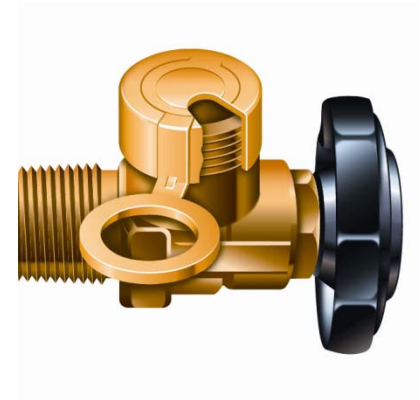
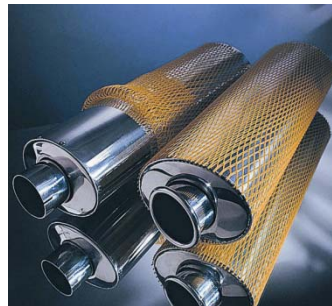
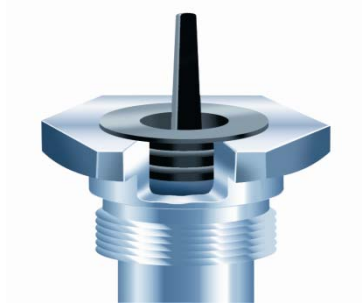
What We Do

- We provide a hassle-free, reliable and competitive supply of
 - low value
 - often low volume
 - non core

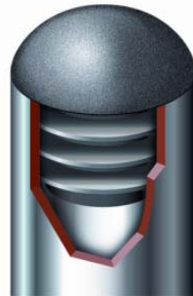
- **But essential products**

Protection Products

- Simple parts for protecting
 - Holes
 - Threads
 - Hoses
 - Corners
- During
 - Transit
 - Processing
 - Finishing
- Typical industries
 - Automotive
 - Coating
 - White goods
 - Hydraulics/Pneumatics



Finishing Products



- For adding functionality and completing products primarily for tubular and extruded products

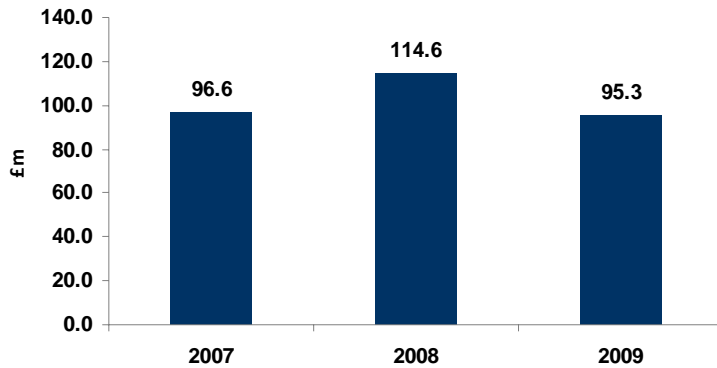
- Typical applications

- Office/school furniture
- Hospital equipment
- Commercial catering equipment
- Shop fitting
- Point of sale
- Machinery
- Cabinets

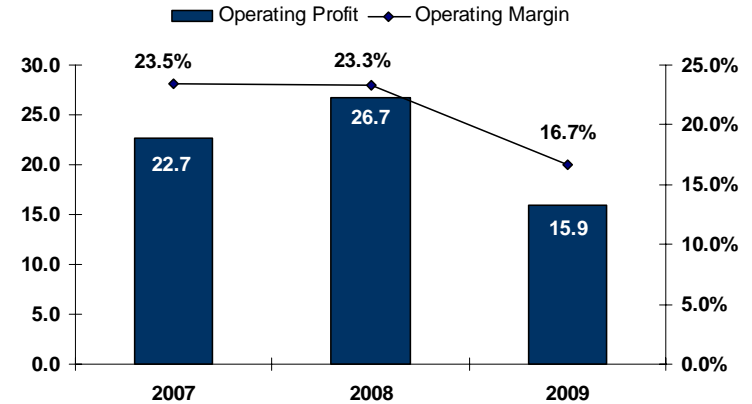


Protection and Finishing Products

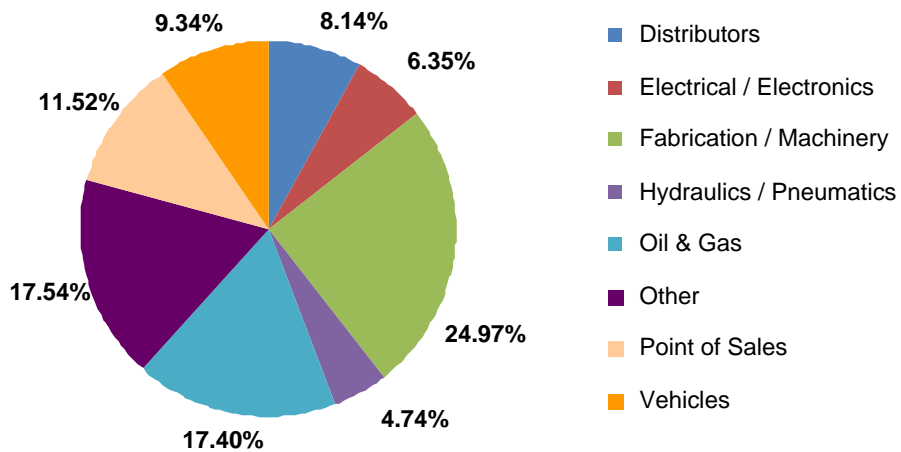
Revenue



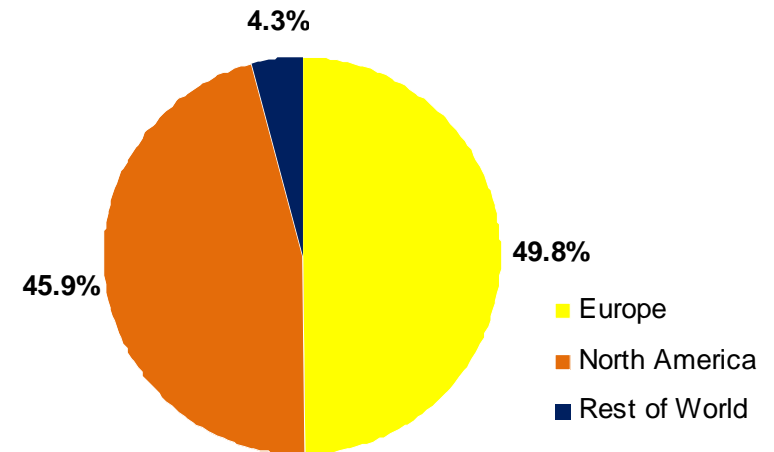
Operating Profit and Operating Margin



Sales Sector Split



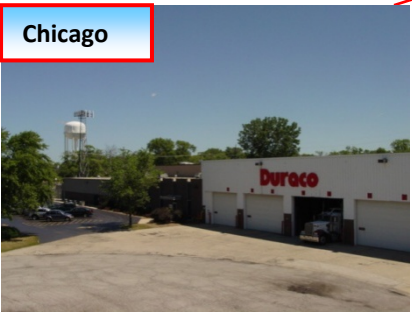
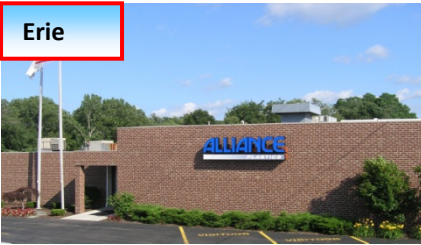
Geographic Sales



Divisional Overview

- 77,000 customers Worldwide (12 month)
- No.1 in combined US/European market
- 767 Employees
- Serving a very broad industrial customer base
- No customer more than 2% of revenue
- 39 Operating units, in 14 countries
 - 33 Distribution, 6 Manufacturing
- Moss, Skiffy, Alliance, Duraco, MSI

Global Footprint

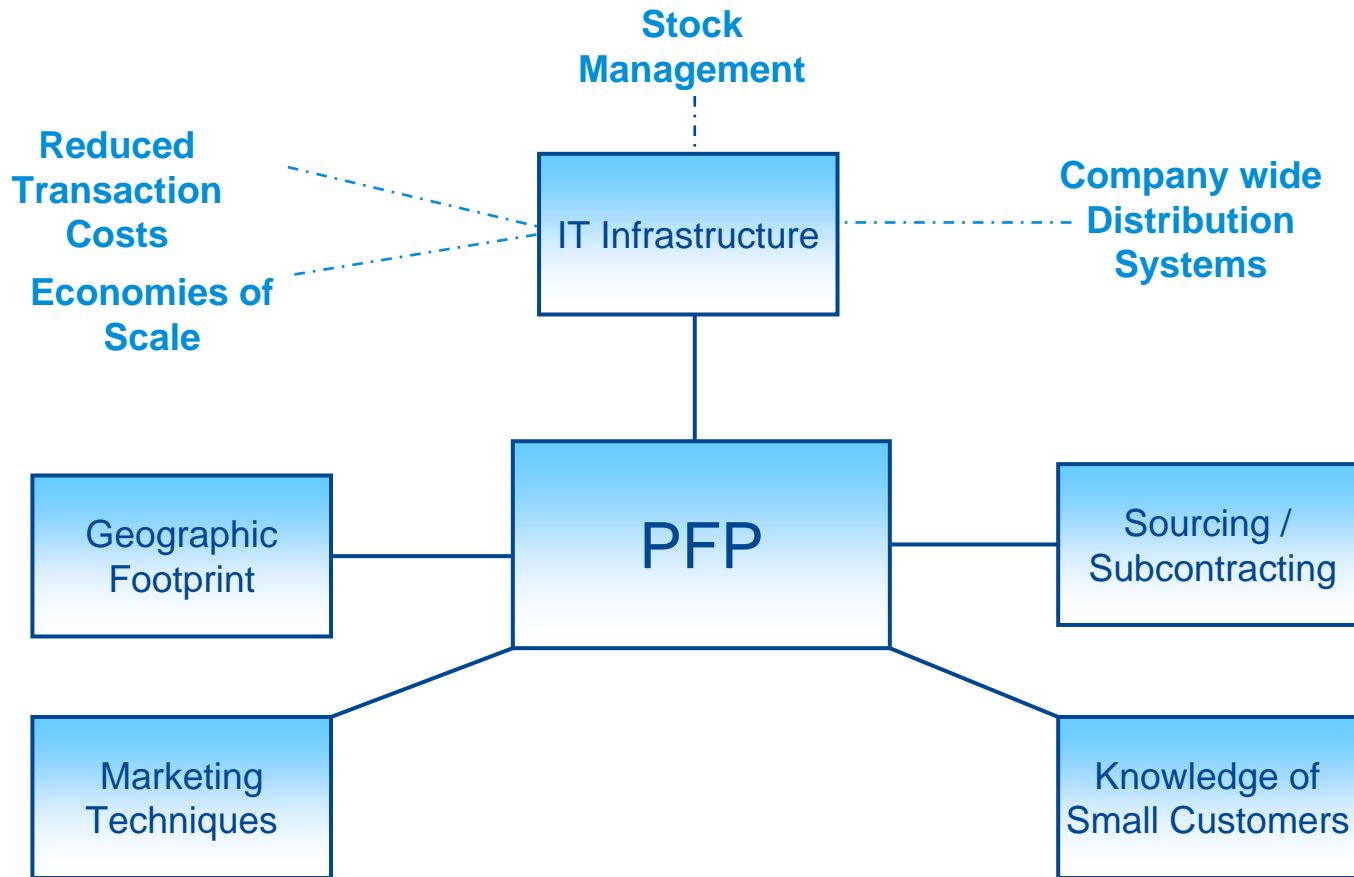


Operations

- Production facilities
 - UK - Oxford
 - USA - Erie, Houston, Chicago
 - Mexico - Veracruz
 - Brazil - Sao Paulo
- 226 injection, 6 dip moulding machines
- 2 coating lines
- 20,000 moulds making 40 million mouldings per week.
- Manufactured product from 2mm to 1.6m dia and <1g to 4.5kg



Core Competencies



Sources Of Competitive Advantage

- Catalogues which support our market reputation/recognition
- Range with high stock availability
- Mould library
- Ease of doing business
- Low cost manufacturing and sourcing
- Integrated IT Systems
- Low transaction costs
- Marketing techniques

Competitive Position

- Large, fragmented, ill-defined market for customers and suppliers
- Competition is predominantly local/regional or sector specific
- Global market >£2 billion
- Market leader
- We are well positioned to grow
 - organically – geographically, range
 - through consolidation



Matt Taylor

Managing Director – Moss Plastic Parts

May 2010

Strategic Overview

- To become the European market leader in the distribution of standard protection and finishing products, offering 24 hour delivery anywhere in Europe
- Underpinned by :
 - Product range/availability
 - Service excellence/product quality
 - Physical logistics
 - Low cost manufacturing and sourcing
 - Integrated business systems

Company Background

- Founded by Robert Moss in 1955 as an injection moulder
- Focus on developing standard range of products through low cost tooling
- Overseas distribution set up in France, Germany and Holland in early 80s
- Development through a combination of organic growth and strategic acquisitions
- 320 employees across 19 locations in 9 countries (including sales and sourcing office in China)

Main Operations

UK

- 43% of revenues
- Main manufacturing and head office - Kidlington
- Six regional sales and distribution operations – “Moss Express”

Mainland Europe

- 57% of revenues
- Local sales and distribution
 - France x 2
 - Germany x 2
 - Spain x 2
 - Benelux
 - Poland
 - Czech Republic
 - Hungary
 - China

How Do We Get To Market

- Two main channels :
- Moss
 - Serving large/medium sized OEMs, typically buying in volume
- Moss Express
 - Concentrating on smaller users, operating regionally, offering greater flexibility and delivering enhanced margins
- Growing product range of more than 12,000 lines
- Promoted through a variety of media :
 - 450,000 catalogues (18 months)
 - 4 million+ mailers per annum
 - Increasing use of electronic media

Key Strengths

- Product range/availability
- Fragmented customer base
- Low priority products for most customers
- Fragmented competition
- European coverage/scale
- Integrated systems/direct ship capability

Scale Of Operations

- High transaction count
- 500 million components in stock
- > 40,000 live customers per annum and growing
- Approx. 300,000 order lines processed per annum
- Average order value £232
- > 200,000 sample requests
- No customer greater than 2% of sales across a wide mix of industries

Growth Strategy

- Two main growth axes :
- Product range development
 - Now much more than just plastic parts
 - Range developing at approx.1,000 new lines per annum
 - Mix of completely new ranges, complementary products and range infill
- Customer acquisition
 - Improved penetration of existing geographic markets
 - Geographic expansion – first to market
 - New market sectors – e.g. POS

Summary

- Strong, established, market leading position within the UK
- Major growth opportunities within mainland European and Asian markets
- Continued expansion of the product range and development of overall supply chain – service is vital
- Infrastructure in place to support and drive further development of the group, both organically and through acquisition

Protection and Finishing Products Division - The Way Forward

- Develop geographically, following our customers e.g. China
- Gain greater market penetration through
 - careful expansion of the product range
 - targeted marketing
- Consolidate and “in-fill” in existing territories
- Aggregate customer demand to drive
 - manufacturing efficiency gains
 - sourcing leverage
 - reduction in transaction costs



Protection & Finishing Products

