Regulatory Story

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Zytronic plc
("Zytronic" or the "Group")

Preliminary Results for the year ended 30 September 2013 (unaudited)

Zytronic plc, a leading specialist manufacturer of touch sensors, announces its preliminary results for the year ended 30 September 2013.

Overview

- Touch revenue accounts for 73% (2012: 71%) of Group revenue of £17.3m (2012: £20.4m)
- Touch sensor units sold increased to 126,000 units (2012: 123,000 units)
- Gross profit margin decreased to 28.4% (underlying*:30.8%) from 36.3% in 2012
- Improvement in second half underlying pre-tax profit of £1.6m versus £0.8m in the first half, totalling £2.4m underlying pre-tax profit for the year*
- Profit before tax decreased by 55% to £1.9m (2012: 4.2m)
- Basic earnings per share of 11.1p with adjusted basic earnings per share of 13.9p (2012: 22.2p)
- Net cash generated from operating activities of £3.3m (2012: £3.6m)
- Net cash balances increased by £1.3m to £5.5m
- Total dividend for year increased by 7.1% to 9.1p (2012: 8.5p)

* underlying measures exclude exceptional costs of £413,000 as described in note 3 to the accounts

Commenting on the results, Chairman, Tudor Davies said:

"The first two months of the current financial year have seen a continuation of the improved margins and order intake experienced in the second half last year, and as long as the benefits from the trend towards touch sensor products continue, performance should improve this year."

Enquiries:

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Notes to Editors

Zytronic is the developer and manufacturer of a unique range of internationally award-winning touch sensor products.

These products employ an embedded sensing element and are based around either projected capacitive technology ("PCT™") or mutual projected capacitive technology (MPCT™) sensing. Both technologies were developed and designed to offer significant durability, environmental stability and optical enhancement benefits to system designers of touch interactive, industrial, self-service and public access equipment.

Operating from three modern factories near Newcastle-upon-Tyne in the United Kingdom, Zytronic designs and assembles touch sensors using special glass and plastic materials, in environmentally controlled clean rooms.

CHAIRMAN'S STATEMENT

Following a particularly difficult first half, the performance for the year ended 30 September 2013, after five years of continuing growth, was disappointing. However, the second half has shown a considerable improvement with an underlying operating profit of £1.6m (2012: £2.1m) compared with the first half of £0.8m (2012: £2.2m). Net cash generation from operating activities for the year remained very strong at £3.3m (2012: £3.6m).

Results

Revenue for the year ended 30 September 2013 was £17.3m (2012: £20.4m); profit before taxation was £1.9m (2012: £4.2m); profit after taxation was £1.7m (2012: £3.3m) and basic earnings per share was 11.1p (2012: 22.2p). The profit this year was adversely affected by a one-off non-cash impairment of a royalty prepayment of £0.4m, and the underlying profit before taxation therefore was £2.4m, with a first half profit of £0.8m improving to £1.6m in the second half.

Cash generation was strong with £3.3m (2012: £3.6m) from operating activities including a £1.0m reduction in working capital. After investment of £0.6m in capital expenditure and debt service costs of £0.2m, a net positive cash flow of £2.6m (2012: £2.8m) was generated before dividend payments of £1.3m (2012: £1.2m).

The Group remains in a strong financial position with cash and short term deposits of £5.5m (2012: £4.2m) and a net financial position of £3.7m (2012: £2.3m) after financial liabilities of £1.7m (2012: £1.9m) in relation to a property mortgage.

As explained in announcements during the year, the main reason for the significant decline in the first half, compared with the equivalent period last year, was the absence of some large one-off orders and projects of approximately £2.0m of revenues.

The second half benefited from a combination of management actions to improve levels of production efficiencies, and a higher proportion of touch sensor products sold, enabling an improvement in gross margin from 26.0% in the first half to an underlying 35.4% for the second half and a consequent improvement in profits.

The comprehensive Business Review provides additional information on aspects of the sales, profitability, research and development and operational activities of the business during the fiscal year.

The Directors propose a final dividend of 6.35p (2012: 5.9p) payable on 14 March 2014 to shareholders on the Register on 28 February 2014, which increases the total dividend for the year by 7.1% to 9.1p (2012: 8.5p).

Outlook

The first two months of the current financial year have seen a continuation of the improved margins and order intake experienced in the second half last year, and as long as the benefits from the trend towards touch sensor products continue, performance should improve this year. We shall update shareholders on material developments and progress as appropriate during the year.

Tudor Davies B.Sc.
Chairman

2013 Business Review

The following Business Review provides information on the sales, profitability, operational, research and development and marketing activities of the business during fiscal year 2013 and, except where otherwise indicated, draws comparisons with the previous year.

Overview

As reported at the interims, first half revenues were significantly below the 2012 comparatives. This was due to the benefits seen in the comparable period from some one-off orders for ATM display products, the negative impact of the Coca Cola Company® Freestyle™ de-stocking from June 2012 onwards and the planned cessation of our ballistic visor production in the first quarter of 2013.

While second half revenues were only slightly stronger than the first (H1: £8.5m, H2: £8.8m), the higher proportion and better mix of touch product sales in the second half have, along with management actions to control costs, realised greater production benefits, driving a significantly higher reported gross margin (H1: 26.0%, H2: 30.7%, 2013: 28.4%) and subsequently an improved reported profit before tax (H1: £0.8m, H2: £1.1m, 2013: £1.9m). As discussed below, these figures are higher on an underlying basis in both the second half and for the full year.

The second half performance was impacted by a £0.4m one-off non-cash charge, relating to the impairment of royalty pre-payments under the terms of the licence agreement used in our bespoke range of patent protected projected capacitive touch products. Subsequent royalties' will be fully expensed on a monthly basis, until the end of life of the relevant patents and therefore the agreement in 2015.

Sales

Total sales in the year were £17.3m (2012: 20.4m). Sales in the first half of the fiscal year were £2.1m lower than the same period in 2012 at £8.5m (2012: £10.6m) and remained broadly at that level in the second half of the year at £8.8m. This is in line with the revised guidance issued at the time of our interim results.

Non-touch product revenues in 2013 reduced by £1.2m to £4.7m (2012: £5.9m), with our ATM display filter products reduced by £0.5m and contributing £3.5m of the total revenues (2012: £4.0m). The strategic exit from the manufacture and supply of our range of ballistic visors, at the end of the first quarter, also contributed £0.4m to the reduction from the comparable period revenues (2013: £0.1m, 2012: £0.5m).

Although touch sensor sales for the year were £1.9m below 2012 at £12.6m (2012: £14.5m), this wholly reflects a product mix impact as the number of sensor units sold increased to 126,000 units (2012: 123,000 units).

Although the more specific unit movements in the application areas are discussed in detail below, in terms of unit size range distribution, we sold approximately 1,900 units less in 2013 than 2012 of the highest valued sensors larger than 30 inches, 3,200 units less of sensors in the size range 15 - 29.9 inches and 6,100 units more in the lower valued sensors in the size range 10 - 14.9 inches and 2,000 units more in the lowest valued sensors in sizes up to 9.9 inches.

The Financial application group was the strongest area due to the unique features and suitability of our PCT™ touch products. Total volumes in that application area increased overall by 6% to 45,000 units (2012: 42,000 units), as a consequence of the increased deployment of bill payment and financial kiosks by end customers. Whereas sensor sales for ATM use remained level at approximately 31,000 units in 2013 compared with 2012, a combination of the mix of product options sold and the complete re-design for one customer, resulted in a reduction in comparative revenue by nearly a quarter.

Unit sales in our second largest application area of Vending were severely impacted in 2013, decreasing to 26,000 units (2012: 31,000 units) as a direct result of the de-stocking of the Coca Cola Company® Freestyle™ tier 1 suppliers of our 15 inch sensor, leading to a reduction of 10,000 units supplied in 2013 compared with 2012. The volume of sales to other customers in this area was up in the period.

Home Automation, mostly represented by sales of a 6.5 inch sensor to the Bosch Siemens group for one of its induction cooktop designs, saw the brand expanded beyond Gaggenau to include the USA sister brand Thermador. Unit sales in 2013 were significantly ahead of 2012 at 14,000 units (2012: 8,000 units).

Other significant unit growth has come through the Industrial in-vehicle telematics system markets, particularly in the agricultural sector. One of our leading Australian customers expanded its product offering which deploys a bespoke design 13.1 inch sensor onto the global stage, and as a consequence we experienced an increase in sales to 10,000 units (2012: 3,000 units).

Our new MPCT™ touch solution became commercially available in February. MPCT™ products have been well received by the market with the majority of demand being for large format screens (30 inches and above). The majority of the early adoption of this solution is in the area of digital signage, where we are seeing numerous developments for ultra large format interactive communal table systems.

Gross profit margin

The reported gross margin for the year was 28.4% or 30.8% on an underlying basis (2012: 36.3%). As described above, the gross profit margin significantly improved in the second half of the year from a better mix of touch product sales and improved levels of production efficiencies to 30.7%. Excluding the one-off non-cash adjustment described earlier the underlying second half margin was 35.4%.

Profit before tax

Profit before tax was £1.9m, £2.4m underlying (2012: £4.2m) and operating profit for the year was £1.9m, £2.3m underlying (2012: £4.3m). However, group operating profit in the second half of the year improved by 55% to £1.1m compared with the first half profit of £0.8m which included the release of the concluding £0.1m of the 2010 SFI grant award (H1 2012: £0.1m).

Tax

The Group's tax charge for the year ended 30 September 2013 was £0.3m reflecting an effective net tax rate of 14% following changes to the UK corporation tax rate, as well as the benefits of R&D tax credits, an overprovision in the year ended 30 September 2012 and allowances for the exercising of share options.

Earnings per share ("EPS")

EPS is reported this year as both adjusted and basic due to the impact of the impairment of the carrying value of the accrued royalty pre-payments. The basic EPS for the year is 11.1p with the diluted EPS being 11.0p and adjusted basic being 13.9p (2012: basic 22.2p, diluted 21.9p).

Cash and debt

The Group is in a robust financial position and continues to be cash generative, recording an increase in cash and cash equivalents in the year of £1.3m (2012: £1.6m). Net cash balances at 30

September 2013 were £5.5m (2012: £4.2m), of which £2.5m was held in instant access interest-bearing deposit accounts with the remainder being managed through a set-off arrangement.

The Group has a property mortgage with Barclays Bank plc, entered into in 2012, which is repayable at £0.2m per annum for five years, at which time it will either be re-financed or repaid. There is also an overdraft facility available to the Group, which it utilises in US Dollars and Euros, as part of the hedging of its FX exposure. We continually monitor the currency outlook and respond when appropriate to currency fluctuations.

At 30 September 2013, the Group had cash balances net of the property-backed mortgage of £3.7m and was therefore not geared.

Operations

Once it became clear that sales were unlikely to meet our initial forecasts, management took decisive action to control costs whilst maintaining operational capability. This was achieved mainly through controlling utilisation of direct labour, not renewing temporary contracts, reducing working hours, and implementing a small number of redundancies.

Operational efficiencies arose in the second half from the introduction of the ultra large form factor MPCT™ products; reduced labour and material intensive ZYTOUCH® manufacture as a consequence of an ATM customer switching to ZYBRID® designs, together with an increase in the general proportion of ZYBRID® designs with additional customised value additions, such as printing, shaping and edge work.

To drive improvements in both the quality and size of the customised printing solutions, capital investment of £0.1m was made in production equipment including a new semi-automatic printing system, with size capabilities to 65 inches and the commensurate expansion of the printing facilities.

R&D

The research and development facilities have benefited from £0.1m of capital investments during the 2013 fiscal period, helping to deliver significantly expanded capacity and capability.

Improvements to the R&D facilities comprised:

- a class 5 (formerly 100) clean room suite of 31m^2, providing an autonomous area for product assembly developments and sampling of up to 65 inches in touch sensor size;
- a significantly expanded environmental and materials testing room;
- an electro-mechanical compatibility ("EMC") test room; and
- a final assembly and display integrated test and development room.

The development projects during the year have concentrated on further refinements in sensor designs and controlling electronics for our MPCT™ products in sizes 50 to 90 inches, Windows, Linux and Android operating system compatibility, significant improvements to facilitate easier and speedier product and system integration and material enhancements to improve yields and optics. The introduction of two new engineers to the team has helped improve customer technical service support and further develop the product range.

Further patent applications were filed in the year under the Patent Co-operation Treaty process, which is the second stage of the protection process for our MPCT™ solution and will enable us to begin the process for relevant overseas registration. We continue to await the outcome of the initial UK patent applications.

The R&D expenditure during 2013 was £0.5m, £0.3m of which was expensed through the P&L account and £0.2m being capitalised.

Marketing

During 2013, we have looked to expand our sales channel partnerships with new representation in Mexico, Malaysia and Turkey. In the USA, we have appointed a channel partner specifically for our flexible plastic substrate "foil" based sensor products, and are actively looking at appointing additional representatives having replaced underperforming representatives in California and Canada. In total we presently have 38 channel partner agreements in place providing coverage across 61 countries.

MPCT™ provided the focal point of the Group's marketing activities during the year, where we diverted focus from technical based expositions towards end applications.

For the first time, the Group actively participated at the Integrated Systems Europe ("ISE") exhibition in Amsterdam and the Global Gaming Expo ("G2E") in Las Vegas. We also actively supported the efforts of our global channel partners in local exhibitions that they undertook such as Computex in Taiwan.

At G2E, along with MPCT™, we unveiled our technologies with true curved LCD display systems for the first time. A video illustrating the scope of the performance of both curved and MPCT™ sensors is readily viewable on Zytronic's YouTube channel at http://www.youtube.com/user/ZytronicTouchSensor.

Capital expenditure

The capital investments described above in R&D, MPCT™ patents and operations have significantly contributed to the total additions to capital expenditure in the year of £0.4m in property, plant and equipment and £0.2m in intangible assets. Depreciation and amortisation for the year was £0.7m and £0.4m respectively

Employees

The Board would like to thank Denis Mullan for his input into the development of the Group over the last 10 years, who stepped down from the Board as Company Secretary and Finance Director with effect from 16 September 2013. Claire Smith, previously Group Financial Controller has been appointed Company Secretary and Interim Group Finance Director.

We would finally, like to take this opportunity on behalf of the Board to thank all of the Zytronic employees who have contributed to the performance of the business during a particularly challenging 2013.

Mark Cambridge B.Sc,(Hons), FIoD
Chief Executive Officer

Claire Smith, BA (Hons), ACMA, CGMA, CertICM
Interim Group Finance Director

10 December 2013

ZYTRONIC

Consolidated statement of comprehensive income

For the year ended 30 September 2013

	Notes	2013 £'000	2012 £'000
Group revenue		**17,282**	20,424
Cost of sales		**11,961**	13,008
Exceptional costs	3	**413**	-
Gross profit		**4,908**	7,416
Distribution costs		**210**	243
Administration expenses		**2,858**	3,089
Group trading profit		**1,840**	4,084
Other operating income		**94**	187
Group operating profit from continuing operations		**1,934**	4,271
Finance costs		**39**	91
Finance revenue		**44**	15
Profit from continuing operations		**1,939**	4,195
Tax expense	4	**277**	898
Profit for the year from continuing operations		**1,662**	3,297
Earnings per share			
Basic	6	**11.1p**	22.2p
Diluted	6	**11.0p**	21.9p
Adjusted earnings per share excluding exceptional costs			
Basic	6	**13.9p**	22.2p
Diluted	6	**13.8p**	21.9p

Consolidated statement of changes in equity

For the year ended 30 September 2013

	Called up share capital £'000	Share premium £'000	Retained earnings £'000	Total £'000
At 30 September 2011	147	6,588	6,372	13,107
Profit for the year	-	-	3,297	3,297
Tax recognised directly in equity	-	-	43	43
Exercise of share options	2	274	-	276
Share-based payments	-	-	74	74
Dividends	-	-	(1,217)	(1,217)
At 30 September 2012	149	6,862	8,569	15,580
Profit for the year	-	-	1,662	1,662
Tax recognised directly in equity	-	-	(69)	(69)
Exercise of share options	1	141	-	142
Share-based payments	-	-	80	80
Dividends	-	-	(1,294)	(1,294)
At 30 September 2013	**150**	**7,003**	**8,948**	**16,101**

Consolidated balance sheet

At 30 September 2013

	2013	2012
	£'000	£'000
Assets		
Non-current assets		
Intangible assets	**1,453**	1,613
Property, plant and equipment	**7,888**	8,231
Trade and other receivables	**-**	413
	9,341	10,257
Current assets		
Inventories	**3,509**	3,441
Trade and other receivables	**2,430**	3,090
Cash and short term deposits	**5,474**	4,217
	11,413	10,748
Total assets	**20,754**	21,005
Equity and liabilities		
Current liabilities		
Trade and other payables	**1,410**	1,299
Financial liabilities	**200**	200
Accruals	**688**	1,016
Taxation liabilities	**192**	476
Government grants	**-**	97
	2,490	3,088
Non-current liabilities		
Financial liabilities	**1,538**	1,735
Deferred tax liabilities (net)	**625**	602
	2,163	2,337
Total liabilities	**4,653**	5,425
Net assets	**16,101**	15,580
Capital and reserves		
Equity share capital	**150**	149
Share premium	**7,003**	6,862
Revenue reserve	**8,948**	8,569
Total equity	**16,101**	15,580

ZYTRONIC

Consolidated cashflow statement

For the year ended 30 September 2013

	2013 £'000	2012 £'000
Operating activities		
Profit from continuing operations	1,939	4,195
Net finance (revenue)/costs	(5)	76
Depreciation and impairment of property, plant and equipment	695	689
Amortisation and impairment of intangible assets	380	350
Profit on sale of fixed assets	(37)	(13)
Amortisation of government grant	(97)	(192)
Share-based payments	80	74
Working capital adjustments		
Increase in inventories	(68)	(687)
Decrease in trade and other receivables	1,073	808
Decrease in trade and other payables	(86)	(658)
Cash generated from operations	3,874	4,642
Taxation paid	(607)	(998)
Net cashflow from operating activities	3,267	3,644
Investing activities		
Interest received	44	15
Proceeds from disposal of property, plant and equipment	-	24
Proceeds from disposal of intangible assets	49	84
Payments to acquire property, plant and equipment	(492)	(732)
Payments to acquire intangible assets	(220)	(236)
Net cashflow from investing activities	(619)	(845)
Financing activities		
Interest paid	(39)	(90)
Dividends paid to equity shareholders of the parent	(1,294)	(1,217)
Proceeds from share issues re. options	142	276
New borrowings	-	2,000
Repayment of borrowings	(200)	(2,129)
Net cashflow from financing activities	(1,391)	(1,160)
Increase in cash and cash equivalents	1,257	1,639
Cash and cash equivalents at the beginning of the year	4,217	2,578
Cash and cash equivalents at the year end	5,474	4,217

Notes to the consolidated financial statement

1. Statement of compliance
The Group results have been prepared in accordance with IFRS as adopted for use in the European Union and as applied in accordance with the provisions of the Companies Act 2006.

2. Basis of consolidation and goodwill
The Group results comprise the financial statements of Zytronic plc and its subsidiaries as at 30 September each year. They are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except where otherwise indicated.

3. Exceptional costs

Exceptional costs of £413,000 relate to the write-off of royalty payments on account made to a patent holder in respect of technology used in one of our products. Reductions in forecast sales of this product mean that the prepayment held at the prior year end will not be recoverable and so has been written off in the period.

4. Taxation

	30 September 2013 £'000	30 September 2012 £'000
Current tax		
UK corporation tax	**372**	985
Corporation tax over provided in prior years	**(47)**	(6)
Total current tax charge	**325**	979
Deferred tax		
Effect of change in tax rates	**(54)**	(38)
Origination and reversal of temporary differences	**6**	(43)
Total deferred tax credit	**(48)**	(81)
Tax charge in the income statement	**277**	898

Tax relating to items credited to equity

	30 September 2013 £'000	30 September 2012 £'000
Deferred tax		
Tax on share-based payments	**69**	(43)
Total deferred tax debit/(credit)	**69**	(43)
Tax charge/(credit) in the statement of changes in equity	**69**	(43)

Reconciliation of the total tax charge
The effective tax rate of the tax expense in the income statement for the year is 14.3% (2012: 21.0%) compared with the average rate of corporation tax in the UK of 23.5% (2012: 25.0%). The differences are reconciled below:

	30 September 2013 £'000	30 September 2012 £'000
Accounting profit before tax	**1,939**	4,195
Accounting profit multiplied by the UK average rate of corporation tax of 23.5% (2012: 25.0%)	**456**	1,049
Effects of:		
Expenses not deductible/(income not chargeable) for tax purposes	**29**	(5)

"Gain" on exercise of share options allowable for taxation purposes but not reflected in the income statement	**(29)**	(45)
Depreciation in respect of non-qualifying items	**46**	48
Enhanced tax reliefs	**(140)**	(135)
Difference in tax rates	**(4)**	(8)
Tax over provided in prior years	**(81)**	(6)
Total tax expense reported in the income statement	**277**	898

Factors that may affect future tax charges
Under current tax legislation, some of the amortisation of licences will continue to be non-deductible for tax purposes.

Under HMRC's R&D tax credit scheme, the Group will receive an uplift of 125% on qualifying R&D expenditure for tax purposes incurred from 1 April 2012. Until the financial year 2006, where R&D expenditure has been capitalised, the benefit of the uplift is only recognised as the asset is amortised. The unrecognised element relating to the year ended 30 September 2005 and prior, at 30 September 2013 was £23,000 (2012: £40,000). Following changes to HMRC's rules which took effect for financial year 2006, the uplift on expenditure which has been capitalised in any year is recognised in that year.

The "gain" on the exercise of share options, being the difference between the grant/exercise price and the market value at the time of exercise, is allowable as a tax deduction from profits although it is not reflected within the income statement. These gains will arise in future years but their timing and amount is uncertain.

There are no tax losses to carry forward at 30 September 2013 (2012: £Nil).

The UK government has announced its intention to reduce the UK corporation tax rate to 22% by 1 April 2014. The reduction from 28% to 26% was substantively enacted on 29 March 2011 and came into effect on 1 April 2011. A reduction from 26% to 25% from 1 April 2012 was substantively enacted on 5 July 2011 and was intended to come into effect on 1 April 2012. However, in the Budget Speech on 21 March 2012 the Chancellor announced that the rate from 1 April 2012 would instead be reduced to 24% rather than the enacted rate of 25%. This 24% rate was substantively enacted on 26 March 2012. The main rate from 1 April 2013 to 31 March 2014 will be 23% and this rate was substantively enacted on 3 July 2012 and the main rate will reduce to 21% from 1 April 2014 and further reduce to 20% from 1 April 2015, and this was substantively enacted on 17 July 2013. This rate of 20% has been applied to the deferred tax assets/liabilities arising at the balance sheet date.

The future tax charge will also be affected by the reduction in the main rates of capital allowances from 20% to 18% and from 10% to 8% with effect from 1 April 2012, and the increase of the Annual Investment Allowance from 1 April 2012 to £200,000 per annum from £100,000 for a temporary period of two years.

5. Dividends
The Directors propose the payment of a final dividend of 6.35p per share (2012: 5.9p), payable on 14 March 2014 to shareholders on the Register of Members on 28 February 2014. This dividend has not been accrued in these financial statements. The dividend payment will amount to some £955,000.

	30 September 2013 £'000	30 September 2012 £'000
Ordinary dividends on equity shares		
Final dividend of 5.6p per ordinary share paid on 24 February 2012	**-**	830
Interim dividend of 2.6p per ordinary share paid on 27 July 2012	**-**	387
Final dividend of 5.9p per ordinary share paid on 15 March 2013	**880**	-
Interim dividend of 2.75p per ordinary share paid on 26 July 2013	**414**	-
	1,294	1,217

6. Earnings per share

Basic EPS is calculated by dividing the profit attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year. All activities are continuing operations and therefore there is no difference between EPS arising from total operations and EPS arising from continuing operations. Adjusted EPS reflects the adding back of the exceptional costs.

	Earnings 30 September 2013 £'000	**Weighted average number of shares 30 September 2013 Thousands**	**EPS 30 September 2013 Pence**	Earnings 30 September 2012 £'000	Weighted average number of shares 30 September 2012 Thousands	EPS 30 September 2012 Pence
Profit on ordinary activities after taxation	**1,662**	**14,943**	**11.1**	3,297	14,833	22.2
Basic EPS	**1,662**	**14,943**	**11.1**	3,297	14,833	22.2
Adjusted EPS	**2,075**	**14,943**	**13.9**	3,297	14,833	22.2

The weighted average number of shares for diluted EPS is calculated by including the weighted average number of potentially dilutive shares under option.

	Earnings 30 September 2013 £'000	**Weighted average number of shares 30 September 2013 Thousands**	**EPS 30 September 2013 Pence**	Earnings 30 September 2012 £'000	Weighted average number of shares 30 September 2012 Thousands	EPS 30 September 2012 Pence
Profit on ordinary activities after taxation	**1,662**	**14,943**	**11.1**	3,297	14,833	22.2
Weighted average number of shares under option	**-**	**120**	**(0.1)**	-	209	(0.3)
Diluted EPS	**1,662**	**15,063**	**11.0**	3,297	15,042	21.9
Adjusted diluted EPS	**2,075**	**15,063**	**13.8**	3,297	15,042	21.9

7. Report and accounts

The Board approved the preliminary release for the year ended 30 September 2013 on Monday 9 December 2013. The above unaudited results do not represent statutory accounts. The audit report is yet to be signed. The audited accounts will be put onto the Group's website www.zytronic.co.uk shortly and should be mailed to shareholders just after Christmas 2013, and will then be available from the registered office at Whiteley Road, Blaydon on Tyne, Tyne & Wear, NE21 5NJ.

The results for the year ended 30 September 2012 have been extracted from the 2012 accounts of Zytronic plc. The 2012 accounts, which have been filed with the Registrar of Companies, received an unqualified audit report and did not contain a statement under Section 498 (2) or (3) of the Companies Act 2006.

8. AGM date

It is intended that the AGM will take place at the Company's offices at Whiteley Road, Blaydon on Tyne, Tyne & Wear, NE21 5NJ on Thursday 27 February 2014 at 2.00pm. Notice of the AGM will be sent to shareholders within the financial statements.

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