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## PRESS RELEASE

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### **Strata Partners assists Carclo plc in a review of strategic options for its Conductive Inkjet Technology business**

Strata Partners is pleased to announce that it has exclusively advised main market-listed technical plastics group Carclo plc ("Carclo" – LSE: CAR), in a review of strategic options for its wholly owned Conductive Inkjet Technology business ("CIT").

CIT has developed and now produces a range of novel UV curable inks, films and technologies for the direct write of conductive metals onto non-porous substrates. Its Fine Line Technology for the high speed roll-to-roll production of touch sensors for use in smart phones and tablets, is now set to commence volume production in partnership with Atmel Corporation ("Atmel"), addressing a market valued at \$4.0 billion in 2012, and forecast to double in size over the next three years.

Prior to commencing volume production with Atmel, Strata was exclusively engaged by Carclo to review three main strategic options for CIT: (i) a disposal to a strategic buyer; (ii) a partial disposal to private equity maintaining a substantial minority shareholding; and (iii) retention of CIT with increased investment in its wide range of applications and markets.

Strata's work with CIT enabled Carclo to establish the potential of CIT under a range of strategic options and showed that a realization, at least in line with the value implied by the Carclo share price, was possible. In June 2012, after consultation with major shareholders, Carclo announced its decision to retain and develop CIT as a core business within a technology-driven Carclo.

Ian Williamson, CEO of Carclo said, *"We tested the market and got a high level of interest in CIT but, after speaking with our major shareholders, we have decided to further develop the CIT technology under the Carclo umbrella"*.

#### **Background to CIT and details of the engagement**

- CIT's business began in the early 2000s with a project aimed at printing copper onto shaped and moulded plastic components
- From this initial project, CIT developed a roll-to-roll digital printing capability, followed by technology to print fine lines on glass substrates for Organic LED ("OLED") displays. CIT then developed its Fine Line Technology ("FLT") for the high speed roll-to-roll production of touch sensors for use in smart phones and tablets
- In December 2009, recognising the progress and potential of FLT, Carclo announced an agreement with leading capacitive touch screen producer Atmel, for the development and launch of an innovative new touch screen product based upon CIT's FLT



- Further substantial market opportunities for FLT were also identified in Printed Electronics (where where CIT's interconnect technology enables new low cost and disposable products); OLED lighting (where FLT on glass is used to replace the front electrode); and printed Organic PhotoVoltaics (where FLT on plastic is used as the front electrode)
- Immediately, prior to the December 2009 announcement of the agreement with Atmel, Carclo's market capitalization was £62 million
- Three months later, this had reached £103 million, driven by the potential of CIT to transform the financial performance of Carclo
- Recognising the potential of CIT in the context of Carclo's overall size and existing business activities, Carclo chose to appoint Strata to evaluate all options for the future of CIT
- Three main strategic options were reviewed: (i) a disposal to a strategic buyer; (ii) a partial disposal to private equity maintaining a substantial minority shareholding; and (iii) retention of CIT with increased investment in its wide range of applications and markets
- Strata's work with CIT enabled Carclo to establish the potential of CIT under a range of strategic options and showed that a realisation at least in line with the value implied by the Carclo share price was possible
- In June 2012, after consultation with major shareholders, Carclo announced that it had decided to retain and develop CIT as a core business within a technology-driven Carclo
- CIT's FLT technology has now been launched with its partner Atmel as XSense™, addressing a market valued at \$4.0 billion in 2012, which is forecast to double in size over the next three years
- Carclo's appointment of Strata reflected our understanding in the fields of materials technologies and printed electronics; access to technology-focussed private equity investors and relevant industry participants worldwide; and our ability to structure, lead and manage complex strategic advisory assignments for listed companies

Commenting, Ian Williamson said, *"This was our most important corporate finance engagement in my 17 years at Carclo. Strata Partners' relationships, structured approach and absolute professionalism allowed Carclo to make a considered and informed decision about how best to realize the potential of CIT"*.

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