Company Newsletter





IN THIS ISSUE...

Managing Directors Foreword | Activity in Europe | Metflex in the Press | WIN £25 VOUCHER - Enter the Metflex Competition | Metflex Staff Numbers have Grown in 2014—find out more about your new colleagues | Charity Run in 2015—find out how you can enter

Managing Director's Foreword

At this time of the year we look forward to what the New Year will bring for us personally and for our Company. We also look back upon the past year which, for Metflex, has been a year of innovation and change.

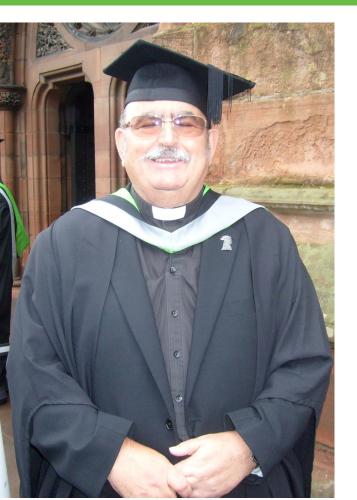
We have consolidated our market position within the global gas sector and have had particular success in expanding our market penetration into mainland Europe. Within the sub-sea and drive coupling sectors we have experienced solid growth and look forward with optimism to expanding our market share in 2015 and beyond. We have committed significant capital and management resources in the development of food grade materials for the dairy market and are working towards the launch of our product range in the first half of 2015.

The Board of Directors and Management continually strive for change and improvement and are committed to building an infrastructure within Metflex which will support a future period of sustained growth. We therefore approach 2015 with the expectation that the Company will continue to build upon its past success.

On behalf of the Directors and Management I would like to wish you all a Merry Christmas and a Happy New Year!

Dermot McCarthy, Managing Director

Metflex' Phil Hunt Obtains his Bachelors Degree



Having become entitled to put letters (rev) before my name when I was ordained in July 2011 I became entitled to put letters (B.A.) after my name when I was awarded a degree in practical theology this year. Last month I attended my graduation ceremony at Carlisle Cathedral with congratulations from the chancellor of the University of Cumbria the Archbishop of York John Sentamu.

I am very fortunate in having Metflex agree to me working a three day week to enable me to pursue my ministry as a self supporting, i.e. unpaid, minister of the Church of England. My role has all the rights and responsibilities of a priest without having the care and duties of looking after a parish. It has been said by some of my full time clerical colleagues that I have the best ministry going because I spend so much time each week alongside people in the world. In a way I see the factory here in Great Harwood almost as my parish.

European Sales Activity

MetflexGas



UKTI's Export Week **AWards**Valve World Expo Discovering Emerging Markets in Europe

Business to Business Meetings Networking
Chamber of Commerce Utility Week, Amsterdam

MetflexDairy[™]

Welcome to our new UK Dairy Sales Manager Heidi Platts BSc RSQP.

Heidi has been brought on board to head up the penetration of a new market.

Activity has now been ramped up, we are testing on farm and look forward to launching the new products in the first half of 2015. See more about Heidi on page 7.



METFLEX IN THE PRESS

East Lancashire manufacturer set for growth following investment

An East Lancashire manufacturer, whose products can be found in more than 50 million homes across the world, is set for a period of sustainable growth after buying its rented premises and factory outright, with support from Yorkshire Bank.

Great Harwood-based Metflex Precision Mouldings Limited (Metflex), which produces specialist rubber components, has bought its 37,000 square foot office and factory in a deal worth £2m with 100% finance support from Yorkshire Bank in Blackburn.

The deal was completed by Vince Bennett, commercial banking relationship manager at Yorkshire Bank's Business and Private Banking Centre in Blackburn.

The premises on Alan Ramsbottom Way were purpose-built for Metflex in 2010 by a joint venture between Barnfield Construction and Hyndburn

Borough Council. The manufacturer moved in as a rentpaying occupier but, after a period of growth, has decided to buy the property outright.

Metflex was formed in 1919 in London as the "Metropolitan Leather Company" manufacturing leather diaphragms and gaskets for industrial use.

After establishing itself as a global specialist, the business moved to East Lancashire in 1940 when its London factory was destroyed in the war. Because of a lack of available premises at the time, the business relocated its equipment and 25 families from London. At the time it was based in Queen Street in Great Harwood, just 1 mile from its current home.

As well as rubber diaphragms and regulators for gas meters, which the company believes are present in more than 50 million homes across North America as well as the UK and Europe, the company also supplies it's specialist moulded products into eight industries including the sub—sea drive coupling and audio industries across the world. Currently the company is preparing to launch a range of milk liners and tubing into the dairy sectors in the UK and Europe.

Metflex employs around 80 people, rising to 110 with temporary staff during seasonal peaks. Around 70% of its revenues are generated from overseas sales.

Dermot McCarthy, Metflex managing director, said buying their premises, which includes offices and production areas, will provide the company with the security and stability to pursue sustainable growth opportunities.

Dermot McCarthy said: "Most people want the security of owning their own home, and businesses are no different. We've enjoyed our new home since we relocated in 2010 and

felt that, following a strong period for our business, we wanted to invest in our bricks and mortar to provide us with a solid foundation from which to grow further. We also felt it important to commit the business to the East Lancashire community which is known across the world for its specialist manufacturing credentials.



"We are looking to invest in our staff, possibly increasing the number of people we employ here, as well as machinery and equipment so that we can continue to develop our products and meet growing global demand.

"We have had a relationship with Yorkshire Bank for more than 20 years and we would like to thank the team for its continued support. They have worked hard to understand our business and fully supported us in our bid to buy our new home."

Ian Hardman, head of Yorkshire Bank's Business and Private Banking Centre in Preston, said: "Chairman Phil Rogerson and engineering director John Holland have created a strong and globally-reaching business whose products are used in a wide variety of growing and important industries around the world. Despite various global economic challenges, which they have withstood, Metflex continues to go from strength to strength and we look forward to working with them during this exciting stage of their history.

"As we continue to see signs of economic growth in East Lancashire, we are committed to working with strong, growing businesses such as Metflex who are investing in growth opportunities in their businesses"

METFLEX IN THE PRESS

60km Cycle Ride for Charity – Metflex Raise over £3000

John Holland, together with 21 others including colleagues and staff from Rogerson Homeserve Plus completed an ambitious cycle ride on 7th September 2014, in order to raise money for the charity, Against Breast Cancer.

The ride began at the company premises in Great Harwood and ended at the Vale of Lune Rugby Club, Lancaster.

"I am sincerely proud of my friends and colleagues who undertook this mammoth ride in order to support the fantastic research being undertaken in the fight against breast cancer.

I really didn't expect the huge amount of support we received by way of donations to the charity. We have to date passed on over £3040 to Against Breast Cancer.

The ride was a complete success and we would like to thank everyone for the overwhelming support." John Holland, engineering director, Metflex Precision Mouldings Ltd.



Where our journey took us: We set off from Metflex at 8am on the 7th September and took the following route;

Whalley, Mitton, Bashall Eaves, The Inn at Whitewell (low road not direct route over the hill), Dunsop Bridge, Trough of Bowland, Quernmore (past the lookout tower), Lancaster (past the Williamson Memorial), through the centre of Lancaster, over the river to Carnforth to the Vale of Lune Rugby Club.

Metflex would also like to thank everyone who gave up their valuable Sunday to help out with transport, refreshments and support.

Research Highlights Biogas Threat to Gas Regulators

Failure to adequately remove sulphur from biogas poses a threat to commercial and industrial gas regulators, reports world leading gas meter and regulator diaphragm maker, Metflex. Research carried out by Metflex, in collaboration with independent test laboratories, has shown that levels of hydrogen sulphide as little as 1% can significantly reduce the regulator's rubber diaphragm service life.

Rubber diaphragms are widely used in gas meters and commercial and industrial gas regulators. Traditionally made from either NBR (nitrile butadiene rubber) or ECO (Epichlorohydrin Rubber), the diaphragms are used to ensure continuous flow and regulate gas flow respectively. A regulator diaphragm exposed to natural gas can expect to flex through over several million cycles over 5 years operational life.

Biogas generated through either anaerobic digestion or fermentation of biodegradable materials, comprises typically 55-65% methane, 35-45% carbon dioxide, 0.5-1.0% hydrogen sulphide and traces of water vapor. Long-term exposure to sulphur can cause the diaphragm to harden, leading to cracking and premature failure. Flex testing has shown a reduction of up to 70% in diaphragm service life due to sulphur.

"Rubber diaphragms for gas meters and regulators are designed for natural gas where levels of sulphur are negligible," says Chris Greenwood, director of sales and marketing, Metflex Ltd.

"With biogas, the energy industry is faced with either investing in more sophisticated gas scrubbing equipment or switching to a rubber with greater resistance to sulphur."

HNBR - biogas resistant

Metflex research has identified a peroxide-cured, hydrogenated NBR (HNBR) as the most cost-effective alternative to NBR. Hydrogenation eliminates the NBR's structural 'double bond' attacked by sulphur.

"HNBR has the same mechanical properties as NBR but with greater chemical resistance. Tests of HNBR diaphragms exposed to biogas have shown a flex life more in line with that expected with natural gas," Chris Greenwood notes.

Metflex is the clear technology leader in the manufacture of rubber diaphragms for consumer, commercial and industrial gas meters and regulators. The company's Dispersed Fibre Technology (DFT) enables production of ultra-thin, precision moulded diaphragms that have set the standard for performance and longevity within the global gas meter industry.

Meet our New Staff



Peter Corr joins Metflex as a **manufacturing process** improvement engineer.

Previously employed as a manufacturing engineer, Peter has a great deal of aerospace experience having served time at Aircelle, BAE & Rolls-Royce.

Peter lives near Chorley and spends a great deal of time cycling, hill walking and skiing.

When asked what he is looking forward to in his role at Metflex, Peter explained.

"Having many years manufacturing engineering experience in a number firms including BAE systems, and Rolls Royce and Aircelle, the majority of my work has been in the Aircraft industry, but has included some work in Nuclear and Automotive. The last 14 years I have worked as a subcontract engineer moving from firm to firm as various projects were completed. The main reason for coming to Metflex was to get out of the merry go round of contract employment and have a stable employment. I am looking forward to developing the work already undertaken at Metflex to improve manufacturing processes."



Jordan Barnes, joins us quite fresh out of University, to fill our **trainee project engineer** role, bringing with him and injection of enthusiasm and excitement for the future.

Having studied at Northumbria University and graduated with a Masters in Mechanical Engineering, Jordan explains that he is looking forward to the role that is project based encompassing hands on and office working.

Jordan enjoys playing football in his spare time, as well as different types of climbing, including bouldering, top ropes and lead climbing. Whilst at university Jordan played football at 5, 7 and 11 a side levels as well as being a member of the universities Mixed Martial Arts Team. This year Jordan also accomplished

a huge goal, completing the Great North Run fundraising for The Fire Fighters Charity.

When asked what skills and knowledge he can bring to this role at Metflex, Jordan explained.

"I bring the knowledge which I gained from university, not only academic knowledge but also skills in time management with having multiple project on the go at once, which I have experienced a lot of during my 4 years at university. I also have a keen problem solving mind which I can use during my time at Metflex. I also bring a lot of experience in using specialist software, engineering, maths and other subject based, including 3D CAD software such as SolidWorks and Matlab."

Jordan went on to describe his aspirations whilst at Metflex,

"I hope to gain a wide range of experiences from undertaking a range of projects within my role, then being able to implement these experiences and lessons I have learnt into my future projects so I work more efficiently and to an even higher standard."

Tod Thornber joins us from BMP Europe Ltd, where he worked as a project engineer for 6 years.

In his role as **project engineer** Tod brings a wealth of experience to Metflex having worked in various manufacturing industries. Tod has been involved in new product introduction and has an extensive Project Management background. His qualifications include B.Eng. (Hons) Mechanical and Manufacturing Engineering and a post graduate qualification in project management. Outside of work he enjoys target shooting, fell/hill walking and cycling.



Explaining what he is looking forward to in his role at Metflex, Tod talked enthusiastically about new challenges regarding processes and materials that are new to him.

Speaking further on what he hopes to achieve in his role, Tod says,

"I hope to become an integral part of the Engineering function within Metflex thus aiding the company to move forward towards achieving/maintaining a world class global role in its chosen market niche and expand into other chosen market sectors."

Jordan's favourite Engineering Joke



Heidi Platts joins us from Leven Valley Agriculture, where he worked as a director and sales executive for 5 years.

Heidi has many interests and keeps sheep and chickens which she takes pride in showing.

With qualifications in multimedia & applied imaging sciences (BSc Hons) and RSQP (qualified animal health advisor) Heidi will head up our new Dairy division as **UK dairy sales manager** with a broad range of skills including management, sales, marketing, personnel, Farming and Dairy skills.





Heidi has attacked the role with great tenacity and dedication, Heidi aspires to develop MetflexDairy into a national farming brand and household name.

When Heidi was asked what she is looking forward to most in her role at Metflex, she replied;

"I am looking forward to the challenge as Metflex diversifies and increases its profile in dairy. Working with such a vibrant and innovative company will allow me to use my creativity and sales skills. "

Dairy Range Competition

To enter the Caption Competition all you need to do is think up an original name for our range of dairy products.

Use words like smooth, healthy, comfortable, antibacterial, fresh, cow, milk for your inspiration.

Pass your caption to Victoria (by email, phone or leave a caption on her desk) and you will be entered into this months competition for a £25 voucher of your choice.

Good Luck!!!!!!!!!



Last Issues Winner: Ashley & Dominic

What could she be thinking? Pull the udder one

To have your story included in the next issue please email inghamv@metflex.co.uk Tell us about your social events, birthdays, weddings, births, fundraising activities, health & safety tips and business ideas.

Metflex Precision Rubber Components | 20 Alan Ramsbottom Way | Great Harwood | Blackburn | Lancashire

| BB6 7FE | United Kingdom

Tel: +44 (0) 1254 884 171 | Fax: +44 (0) 1254 881 76

Company Registration Number 4744755 | VAT Number GB 876 3272 94