Preliminary Results Announcement
June 9th 2009
Agenda

- Overview          Jonathan Flint
- Financial Summary Kevin Boyd
- Operational Review & Outlook Jonathan Flint
Overview

• Turnover growth of 17%
• Adjusted Profit Before Tax up 17%
• Operating cash flow increased to £14.4m
• Final dividend maintained at 6.0 pence
• New products successfully launched
• Acquisitions continue to perform well
• Business restructured to provide on-going savings of £11.4m a year
A game of two halves...

• First six months of the year on track
• From November 2008 some markets soften
• Contingency plans implemented
• Successful reshaping of the business
Our markets – status to date

- **Sectors**
  - Research (general)
  - Research (pharma)
  - Industrial (general)
  - Industrial (environmental)

- **Geography**
  - Europe
  - USA
  - China
  - Russia/India
  - Latin America
  - Other Asia
Worldwide Restructuring

- 15% reduction in workforce
- Reshaping Molecular Biotools business
- Movement of product lines to consolidate sites
Drive for innovation

- Continued focus on R&D
- New product launches
- Continue to take market share
- Recognition from peers as Best Technology Company
Acquisitions/Disposals

• Acquisitions contributing to plan
• Two Acquisitions in first half
  ▪ Technology & Devices International
  ▪ Link Analytical AB
• Two Disposals
  ▪ Minority shareholding in Oxford Diffraction to Varian Inc
  ▪ Molecular Beam Epitaxy business to Riber SA
Our objective is to double the size of the business and improve ROS by 10 percentage points over five years.

- Achieved growth targets for first three years
- Second half year showed marked slowing of industrial markets
- Decisive action on costs and efficiencies protected year three performance
- Business well-positioned to weather recession
Financial Review

Kevin Boyd
Group Finance Director
# Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>2008/09 £'M</th>
<th>2007/08 £'M</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Revenues</strong></td>
<td>206.5</td>
<td>176.5</td>
</tr>
<tr>
<td>Gross profit</td>
<td>90.7</td>
<td>73.2</td>
</tr>
<tr>
<td><strong>Trading profit</strong></td>
<td>13.1</td>
<td>10.6</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(2.0)</td>
<td>(1.1)</td>
</tr>
<tr>
<td><strong>Adjusted profit before tax</strong></td>
<td>11.1</td>
<td>9.5</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>(4.3)</td>
<td>(2.9)</td>
</tr>
<tr>
<td>&quot;Exceptionals&quot;</td>
<td>(6.8)</td>
<td>0.7</td>
</tr>
<tr>
<td>Mark to Market</td>
<td>(9.3)</td>
<td>(2.3)</td>
</tr>
<tr>
<td><strong>Profit /(loss) before tax</strong></td>
<td>(9.3)</td>
<td>5.0</td>
</tr>
<tr>
<td>Tax</td>
<td>2.6</td>
<td>(2.3)</td>
</tr>
<tr>
<td>Earnings</td>
<td>(6.7)</td>
<td>2.7</td>
</tr>
<tr>
<td><strong>Adjusted EPS (pence)</strong></td>
<td>14.8</td>
<td>11.7</td>
</tr>
<tr>
<td>EPS (pence)</td>
<td>(13.9)</td>
<td>5.6</td>
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**Growth**

- Reported: 17.0%
- Constant: -2.1%
- Currency:

<table>
<thead>
<tr>
<th></th>
<th>08/09</th>
<th>07/08</th>
</tr>
</thead>
<tbody>
<tr>
<td>GM%</td>
<td>43.9%</td>
<td>41.5%</td>
</tr>
<tr>
<td>TM%</td>
<td>6.3%</td>
<td>6.0%</td>
</tr>
<tr>
<td>TM% ex hedging</td>
<td>10.4%</td>
<td>6.1%</td>
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</table>
Sales Bridge

<table>
<thead>
<tr>
<th>Year</th>
<th>FX</th>
<th>Acq/Dis</th>
<th>Vol</th>
<th>2008/09</th>
</tr>
</thead>
<tbody>
<tr>
<td>2007/08</td>
<td>176.5</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2008/09</td>
<td>206.5</td>
<td>33.7</td>
<td>10.4</td>
<td>(14.1)</td>
</tr>
</tbody>
</table>
Profit Bridge

- 2007/08: £9.5M
- FX: £2.7M
- EffiMix: £1.6M
- Overheads: £3.6M
- Acq/Dis: £0.4M
- Volume: (£5.8M)
- Interest: (£0.9M)
- 2008/09: £11.1M
Effect of Exchange Rate on Debt
Sales by Destination

2008/09
- Europe, 39%
- North America, 27%
- Asia, 29%
- RoW, 5%

2007/08
- Europe, 37%
- North America, 31%
- Asia, 30%
- RoW, 3%
Orders

Orderbook up 29% to £66m
Annual Sales - Reported

Absolute Growth - 54%
Compound Growth - 16%
Annual Sales - Constant Currency

Absolute Growth - 37%
Compound Growth - 11%
Annual Trading Profit

Absolute Growth - 198%
Compound Growth - 44%
## Exceptionals

<table>
<thead>
<tr>
<th>£m</th>
<th>Profit 2008/09</th>
<th>Cash 2008/09</th>
<th>Cash 2009/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>Disposal of ODL</td>
<td>3.4</td>
<td>3.1</td>
<td>0.6</td>
</tr>
<tr>
<td>Arkex impairment</td>
<td>(0.5)</td>
<td>0.0</td>
<td>0.0</td>
</tr>
<tr>
<td>Disposal of MBE</td>
<td>(1.0)</td>
<td>0.3</td>
<td>0.0</td>
</tr>
<tr>
<td>Restructuring</td>
<td>(8.7)</td>
<td>(2.5)</td>
<td>(3.0)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>(6.8)</td>
<td>0.9</td>
<td>(2.4)</td>
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Operational Review

Jonathan Flint
Chief Executive
Structure

Oxford Instruments plc

Analytical
- Industrial Analysis: Instruments for elemental analysis, metals identification & coating thickness measurement, Small X-ray tube manufacture
- Nano Analysis: Analytical systems for electron microscopes
- Plasma Technology: Process solutions to enable the fabrication of nano structures for research, development and manufacturing

Superconductivity
- Nano Science: Cryogenic systems, Superconducting magnets
- OST: Superconducting wire and cables, MRI Service
- Molecular Biotools: Benchtop NMR analysers, low field MRI and imaging tools
- Austin Scientific: Cryogenic vacuum pump systems
# Future Segmental Reporting

<table>
<thead>
<tr>
<th>Sector</th>
<th>Current Businesses</th>
<th>Key Success Factors</th>
<th>Key Technologies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nanotechnology</td>
<td>NanoAnalysis</td>
<td>Advanced Technology</td>
<td>Plasma etch &amp; deposition</td>
</tr>
<tr>
<td></td>
<td>NanoScience</td>
<td>Radical Innovation</td>
<td>Cryogenics</td>
</tr>
<tr>
<td></td>
<td>Plasma Technology</td>
<td>Close technical contact with customers</td>
<td>X-ray detection</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Bespoke manufacture</td>
<td>Superconductivity</td>
</tr>
<tr>
<td>Industrial</td>
<td>Industrial Analysis</td>
<td>Competitive Differentiation</td>
<td>X-ray detection</td>
</tr>
<tr>
<td>Products</td>
<td>Superconducting Wire</td>
<td>Low cost, medium volume manufacturing</td>
<td>X-ray sources</td>
</tr>
<tr>
<td></td>
<td>Magnetic Resonance</td>
<td>Rapid product introduction</td>
<td>Optical emission spectroscopy</td>
</tr>
<tr>
<td>Service</td>
<td>US/Japan MRI Service</td>
<td>Revenue generating/innovative service products</td>
<td>Product Servicing</td>
</tr>
<tr>
<td></td>
<td>Austin Scientific</td>
<td>Total service commitment</td>
<td>Customer Training</td>
</tr>
<tr>
<td></td>
<td>Servicing of Industrial and Nanotechnology products</td>
<td>24 hour support</td>
<td>Rapid spares logistics</td>
</tr>
</tbody>
</table>
Industrial Analysis -
Tools for Quality Control and Compliance Testing

• New applications e.g. Strontium pollution monitoring
• Successful launch of new product for Iron and Steel industry
• Simplified and restructured

Corroded Air Conditioning system due to Chinese Dry Wall
- image courtesy of chinesedrywall.com
NanoAnalysis - Microanalysis systems for chemical and structural materials analysis

- Launch of unique X-MAX analyser exceeded expectations

- EBSD market continues to grow with significant potential in photovoltaic applications

- Strong orders for the new table top electron microscope
Plasma Technology -
Tools for specialist nanotechnology applications

- Strong performance
- New applications e.g. deposition of Diamond Like Carbon
- Expanding markets for HBLEDs
- Growth in photovoltaics
NanoScience -
Superconducting magnets and cryogenic systems

- Accelerated adoption of ‘dry’ technology
- Three world first cryogenic systems for fundamental physics research
- Restructured business performing well
Superconducting Technology (OST)
Leading producer of superconducting wire

- Growth in market share for MRI wire
- New orders for specialist high performing wire
- ITER
Summary and Outlook

• Growth to date in line with plan
• Industrial markets weak
• R&D markets resilient
• Unlikely to see growth in the current year
• Continued progress on margin improvement
• Well positioned to benefit from future strengthening of the market