Preliminary Results Announcement 2011/12

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Chief Executive

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Agenda

• Highlights
• Financial Summary
• Operational Review
• Summary and Outlook
Highlights

- Strong performance across all markets and territories
- Organic and Acquisitive growth
- Product and Process innovation
- Leveraging the OI Brand
- Increased final dividend

An excellent first year of the 14 Cubed plan
Three Elements of the 14 Cubed Plan

- **Organic Growth**
  - Structural growth in Nanotechnology
  - Research and Industrial Markets remain robust
  - Strong new product pipeline

- **Efficiency**
  - Productivity and margin improvements

- **Targeted Acquisitions**
  - Omicron Nanotechnology
  - Omniprobe
  - Platinum Medical Imaging
Global Diversity

- Europe
- North America
- Asia
- Opportunities in BRIC and other emerging markets
Financial Review
Kevin Boyd
# Highlights

<table>
<thead>
<tr>
<th></th>
<th>2011/12</th>
<th>2010/11</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders (£m)</td>
<td>337.8</td>
<td>273.5</td>
<td>23.5%</td>
</tr>
<tr>
<td>Revenues (£m)</td>
<td>337.3</td>
<td>262.3</td>
<td>28.6%</td>
</tr>
<tr>
<td>Adjusted operating profit (£m)</td>
<td>42.1</td>
<td>28.1</td>
<td>49.8%</td>
</tr>
<tr>
<td>Return On Sales (%)</td>
<td>12.5%</td>
<td>10.7%</td>
<td>+1.8pp</td>
</tr>
<tr>
<td>Adjusted profit before tax (£m)*</td>
<td>42.0</td>
<td>26.2</td>
<td>60.3%</td>
</tr>
<tr>
<td>Adjusted EPS (pence)*</td>
<td>61.6</td>
<td>41.5</td>
<td>48.4%</td>
</tr>
<tr>
<td>Dividend (pence)</td>
<td>10.0</td>
<td>9.0</td>
<td>11.1%</td>
</tr>
</tbody>
</table>

| Net Cash (£m)                  | 35.1    | 13.1    | 22.0    |

*Adjusted numbers are stated to give a better understanding of the underlying business. Details of adjusting items can be found in Note 2 of the Preliminary Statement.*
## Segments

<table>
<thead>
<tr>
<th></th>
<th>Nanotechnology</th>
<th></th>
<th>Industrial</th>
<th></th>
<th>Service</th>
<th></th>
<th>Total</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Tools</td>
<td>2011/12</td>
<td>2010/11</td>
<td>Products</td>
<td>2011/12</td>
<td>2010/11</td>
<td>Service</td>
<td>2011/12</td>
</tr>
<tr>
<td>External revenue</td>
<td></td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
<td>£m</td>
</tr>
<tr>
<td></td>
<td>153.3</td>
<td>121.4</td>
<td></td>
<td>128.0</td>
<td>98.5</td>
<td>56.0</td>
<td>42.4</td>
<td>337.3</td>
</tr>
<tr>
<td>Inter-segment revenue</td>
<td></td>
<td>0.6</td>
<td>0.4</td>
<td>1.1</td>
<td>2.0</td>
<td>0.3</td>
<td>0.1</td>
<td></td>
</tr>
<tr>
<td>Sector revenue</td>
<td></td>
<td>153.9</td>
<td>121.8</td>
<td>129.1</td>
<td>100.5</td>
<td>56.3</td>
<td>42.5</td>
<td></td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td></td>
<td>17.3</td>
<td>14.6</td>
<td>13.8</td>
<td>6.1</td>
<td>11.0</td>
<td>7.4</td>
<td></td>
</tr>
<tr>
<td>Return on sales</td>
<td></td>
<td>11.2%</td>
<td>12.0%</td>
<td>10.7%</td>
<td>6.1%</td>
<td>19.5%</td>
<td>17.4%</td>
<td></td>
</tr>
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</table>
Sales by Geography

<table>
<thead>
<tr>
<th>Region</th>
<th>2011/12</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Europe</td>
<td>34.1%</td>
<td>32.0%</td>
</tr>
<tr>
<td>Asia</td>
<td>33.8%</td>
<td>37.9%</td>
</tr>
<tr>
<td>North America</td>
<td>28.2%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Rest of World</td>
<td>3.9%</td>
<td>3.2%</td>
</tr>
</tbody>
</table>
Sales by Market Segment

<table>
<thead>
<tr>
<th>Segment</th>
<th>2011/12</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>10%</td>
<td>7%</td>
</tr>
<tr>
<td>Semicon/IT</td>
<td>11%</td>
<td>9%</td>
</tr>
<tr>
<td>Metals &amp; Construction</td>
<td>12%</td>
<td>13%</td>
</tr>
<tr>
<td>Environment</td>
<td>6%</td>
<td>13%</td>
</tr>
<tr>
<td>Environment</td>
<td>18%</td>
<td>20%</td>
</tr>
<tr>
<td>Life Sciences</td>
<td>43%</td>
<td>38%</td>
</tr>
<tr>
<td>Research and Academia</td>
<td>0%</td>
<td></td>
</tr>
</tbody>
</table>
Cash

31/03/2011 | EBITDA | WC | Capex | R&D | Pension | Tax | Int, Shares, Fx | M&A net of Equity | Dividend | 31/03/2012
---|---|---|---|---|---|---|---|---|---|---
| | 13.1 | 52.1 | 2.4 | 5.0 | 2.4 | 4.5 | 7.8 | 0.7 | 7.3 | 4.8 | 35.1
Sales Progress

16.6% CAGR
12.9% Organic CAGR
Profit and Margin Progress

Operating Profit £m

ROS %


Operating Profit increase from 2005/06 to 2011/12.

ROS % increase from 0.0% to 14.0% over the same period.
Operational Review
Jonathan Flint
Three Business Sectors

**Nanotechnology Tools**
- Nanoanalysis
- NanoScience
- Plasma Technology
- Omicron NanoTechnology

**Industrial Products**
- Industrial Analysis
- Superconducting Wire
- Austin
- Magnetic Resonance

**Service**
- OI Service
- Service elements of other two sectors

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NanoTechnology Tools
High-performance technology products for research and industry

- New product introductions driving organic growth
- Benefiting from increased investment in nanotechnology
- Leveraging added value from combined sector offering

[Graph showing annual nanotechnology funding levels]

Total global funding of nanotechnologies (source: Scientifica Ltd 2011)
Industrial Products
Analytical systems for Quality Control, Environmental and Compliance Testing for industry and research

- Diverse range of global markets and applications
- Process improvements driving productivity
- Launch of X-MET7500 exceeded expectations
- Opportunities in the steel and metals market
• Increased installed base
• Adoption of service contract model in Asia
• CT/MRI Service business establishing strong market presence in North America
Summary and Outlook

- Strong growth and record profitability
- Increased investment in people and product development
- Acquisition programme on track
- Markets remain strong despite macro-economic uncertainty
- Well positioned for further growth
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