Agenda

- Highlights
- Financial Review
- Operational Review
- Summary and Outlook
Operating Highlights

• Profits in line with expectations

• Improved profit performance in NanoTechnology Tools and Service sectors; Industrial markets were soft

• Margin improvement

• Cost reduction delivered operational benefits

• Active management of portfolio

• Improved Order Book
Financial Review
Gavin Hill
## Income Statement

### Continuing Operations

<table>
<thead>
<tr>
<th>£m</th>
<th>2015/16</th>
<th>2014/15</th>
<th>Change</th>
<th>Organic at CC* Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>361.6</td>
<td>380.1</td>
<td>-4.9%</td>
<td>-5.7%</td>
</tr>
<tr>
<td>Adjusted operating profit</td>
<td>44.6</td>
<td>42.8</td>
<td>4.2%</td>
<td>0.2%</td>
</tr>
<tr>
<td>Net finance costs</td>
<td>(7.6)</td>
<td>(7.1)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Adjusted profit before tax</td>
<td>37.0</td>
<td>35.7</td>
<td>3.6%</td>
<td>-1.1%</td>
</tr>
</tbody>
</table>

Amortisation of acquired intangibles  
(16.7)  
(21.7)  
Non-recurring and acquisition related items  
(4.5)  
(18.8)  
Mark to market of currency hedges  
(2.7)  
(4.8)  
Profit before tax  
13.1  
(9.6)  

Adjusted basic earnings per share  
49.2p  
48.4p  
1.7%  
Dividends per share  
13.0p  
13.0p

*At constant currency*
<table>
<thead>
<tr>
<th></th>
<th>NanoTechnology</th>
<th>Industrial Products</th>
<th>Service</th>
<th>Total*</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>£m</strong></td>
<td><strong>Tools</strong></td>
<td><strong>Products</strong></td>
<td><strong>Service</strong></td>
<td><strong>Total</strong>*</td>
</tr>
<tr>
<td>2014/15</td>
<td>211.2</td>
<td>104.1</td>
<td>66.2</td>
<td>380.1</td>
</tr>
<tr>
<td>Organic</td>
<td>(4.4)</td>
<td>(5.3)</td>
<td>(2.5)</td>
<td>(11.6)</td>
</tr>
<tr>
<td>FX</td>
<td>4.2</td>
<td>4.4</td>
<td>2.3</td>
<td>10.9</td>
</tr>
<tr>
<td>Wire/MRI Contract</td>
<td>0.0</td>
<td>(6.6)</td>
<td>(1.7)</td>
<td>(8.3)</td>
</tr>
<tr>
<td>M&amp;A</td>
<td>(23.4)</td>
<td>0.0</td>
<td>14.1</td>
<td>(9.3)</td>
</tr>
<tr>
<td>2015/16</td>
<td>187.6</td>
<td>96.6</td>
<td>78.4</td>
<td>361.8</td>
</tr>
</tbody>
</table>

**Growth**

- **Reported**
  - £11.2%
  - £7.2%
  - 18.4%
  - -4.8%
- **Organic (CC**)**
  - -2.5%
  - -11.4%
  - -6.5%
  - -5.7%

*Excluding inter-segment revenues

**At constant currency
Revenue by Territory

<table>
<thead>
<tr>
<th>Group Revenue %</th>
<th>Europe</th>
<th>North America</th>
<th>Asia</th>
<th>ROW</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>115.2</td>
<td>129.2</td>
<td>128.8</td>
<td>6.9</td>
</tr>
<tr>
<td>2016</td>
<td>100.4</td>
<td>128.4</td>
<td>125.1</td>
<td>7.7</td>
</tr>
</tbody>
</table>

- **Reported Growth**
  - Europe: -12.8%
  - North America: -0.6%
  - Asia: -2.9%
  - ROW: +11.6%

- **Organic (CC) Growth**
  - Europe: -0.3%
  - North America: -16.9%
  - Asia: +2.2%
  - ROW: -19.1%
Organic Order Book Growth

March 2015: 125.2
March 2016: 140.4

+12%
Adjusted PBT Bridge

<table>
<thead>
<tr>
<th>Component</th>
<th>Actual 14/15</th>
<th>Volume</th>
<th>Wire/MRI contract</th>
<th>FX</th>
<th>Price</th>
<th>Mix/Eff</th>
<th>Interest</th>
<th>Op Ex</th>
<th>M&amp;A</th>
<th>Actual 15/16</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>£m</td>
<td>(£)</td>
<td>(£)</td>
<td>(£)</td>
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<td>(£)</td>
<td>(£)</td>
<td>(£)</td>
<td>(£)</td>
<td>£m</td>
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<tr>
<td>35.7</td>
<td>(5.3)</td>
<td>(3.6)</td>
<td>(0.8)</td>
<td>(0.2)</td>
<td>(1.0)</td>
<td>(0.5)</td>
<td>9.4</td>
<td>3.3</td>
<td>37.0</td>
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### Adjusted Operating Profit by Sector

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<th>Total</th>
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<tr>
<td>Organic</td>
<td>2.4</td>
<td>(2.6)</td>
<td>(0.5)</td>
<td>(0.7)</td>
</tr>
<tr>
<td>FX</td>
<td>(1.3)</td>
<td>0.7</td>
<td>(0.2)</td>
<td>(0.8)</td>
</tr>
<tr>
<td>Acquisitions</td>
<td>(0.5)</td>
<td>0.0</td>
<td>3.8</td>
<td>3.3</td>
</tr>
<tr>
<td><strong>2015/16</strong></td>
<td>21.3</td>
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### EBIT Margin

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<th>2015/16</th>
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<tr>
<td></td>
<td>EBIT Margin</td>
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<tr>
<td><strong>2014/15</strong></td>
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<td>11.4%</td>
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</table>
Cash Bridge

Net Debt: £128.2 million (2015: £118.9 million)

Net debt to EBITDA: 2.3 x
EBITDA to interest: 9.6 x
Operational Review
Ian Barkshire
## Our Businesses

<table>
<thead>
<tr>
<th>NanoTechnology Tools</th>
<th>Industrial Products</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>High-performance technology products</td>
<td>Analytical instruments and high technology components</td>
<td>Service, repairs, spare parts, training, sale and rental of refurbished MRI and CT</td>
</tr>
<tr>
<td>• NanoCharacterisation</td>
<td>• Industrial Analysis</td>
<td>• OiService - own products</td>
</tr>
<tr>
<td>• NanoSolutions</td>
<td>• Industrial Components</td>
<td>• OI Healthcare</td>
</tr>
</tbody>
</table>

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NanoCharacterisation

Our microscopy businesses, serving both physical and life science markets. Comprises NanoAnalysis, Andor Technology and Asylum Research.

Current Performance

- NanoAnalysis very strong in its end markets; delivering good commercial and technical results
- Andor continues to show growth; delivering good performance
- Asylum Research AFMs continue to take market share
- Product launches included X-Max Extreme, AZtecOne and the iKon XL

Market Position

- Leading market share in Andor and NanoAnalysis
- Technology leadership in all businesses
characterised by low volume, high value, often bespoke products selling to the scientific research community in both academia and industry. Comprises NanoScience, Plasma Technology and the Scienta Omicron JV.

**Current Performance**

- NanoScience launch of Triton, critical for Ultra Low Temperature work
- Further orders for GE SPINlab collaboration
- Plasma is showing good progress; still some work to be done
- Scienta Omicron Joint Venture making progress towards profitability

**Market Position**

- NanoScience & Scienta Omicron – strong technical and brand position in niche markets
- Plasma Technology – strong technical and brand position in the research semiconductor market
Industrial Analysis

Designs and sells a range of products that make material analysis easy and reliable, combining sophisticated nano-scale analysis with ruggedness and simplification.

Current Performance

- Improved profitability despite challenging end markets
- X-MET8000 continues to gain market share
- Sales and distribution networks strengthened
- Foundry-Master Smart well received

Market Position

- Best performing hand held XRF product
- Unique laser and x-ray technology in one Portfolio
- Focus on product portfolio to maximise potential returns
Industrial Components

Provides key technological components to other parts of OI and third parties. Comprises our Superconducting Wire and X-ray Technology businesses.

Current Performance

- Performance affected by structural change in MRI superconducting wire market
- X-ray Technology impacted by softening in industrial end markets
- Non-core Austin business disposed in the year

Market Position

- Strong capability in a difficult superconducting wire market
- Leading position in niche x-ray tube market
- Leading technology and position for large international projects
Service

Comprises the Group’s maintenance service contracts, spare part sales of Oxford Instruments equipment and the servicing of third party MRI and CT machines under the OIHealthcare brand.

Current Performance

• Acquisition of MIR progressing according to plan
• Record revenues in Japan
• Increase in demand for service of own products

Market Position

• Strength and reputation for customer service key to brand
• Attractive growth opportunities
Summary

- Improved profit performance in NanoTechnology Tools and Service sectors
- Soft Industrial markets
- Margin improvement
- Cost reduction delivered operational benefits
- Active management of portfolio
- Improved Order Book
Outlook

- Revenue for first two months of trading in line with last year; profits marginally ahead

- We remain focused on new product development, customer service and cost optimisation and expect to make progress in the year

- Increasing role of nanotechnology will continue to yield long term structural growth in demand for high technology tools
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