Half Year Results Announcement
16th November 2010
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Half-Year Overview

- Order intake, excluding ITER, up 51.1%
- Revenue up 22.0%
- Adjusted PBT up £7.8m to £10.6m
- Net debt reduced to £3.9m
- Adjusted EPS up 13.3 pence to 17.4 pence
- Interim Dividend increased by 5% to 2.52 pence
Progress against 5 year plan

- Organic growth targets exceeded
- Trading Profit margins exceeded 10% in first half
- Efficiency improvements firmly embedded across the Group
- All businesses profitable
- R&D programmes on track
- Pursuing acquisition targets
World-wide growth

- All businesses experiencing strong demand
- Research markets remain robust
- Sustained improvement in industrial markets
- Pricing levels maintained as price pressure abates and demand increases
- Significant growth in Asia
China growth 52%
Financial Review

Kevin Boyd
Group Finance Director
## Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>2010/11 £m</th>
<th>2009/10 £m</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Orders</strong></td>
<td>141.3</td>
<td>133.9</td>
</tr>
<tr>
<td><strong>Revenues</strong></td>
<td>113.2</td>
<td>92.8</td>
</tr>
<tr>
<td>Gross profit</td>
<td>48.8</td>
<td>39.1</td>
</tr>
<tr>
<td><strong>Trading profit</strong></td>
<td>11.9</td>
<td>4.1</td>
</tr>
<tr>
<td>Finance costs</td>
<td>(1.3)</td>
<td>(1.3)</td>
</tr>
<tr>
<td><strong>Adjusted profit before tax</strong></td>
<td>10.6</td>
<td>2.8</td>
</tr>
<tr>
<td>Amortisation of acquired intangibles</td>
<td>(1.8)</td>
<td>(2.2)</td>
</tr>
<tr>
<td>&quot;Exceptionals&quot;</td>
<td>3.2</td>
<td>(0.4)</td>
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<tr>
<td>Mark to Market</td>
<td>1.2</td>
<td>5.5</td>
</tr>
<tr>
<td><strong>Profit before tax</strong></td>
<td>13.2</td>
<td>5.7</td>
</tr>
<tr>
<td>Tax</td>
<td>(3.0)</td>
<td>(1.6)</td>
</tr>
<tr>
<td>Earnings</td>
<td>10.2</td>
<td>4.1</td>
</tr>
<tr>
<td><strong>Net Debt</strong></td>
<td>(3.9)</td>
<td>(29.6)</td>
</tr>
<tr>
<td><strong>Adjusted EPS (pence)</strong></td>
<td>17.4</td>
<td>4.1</td>
</tr>
<tr>
<td><strong>EPS (pence)</strong></td>
<td>20.7</td>
<td>8.3</td>
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</table>

### Growth

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
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<tbody>
<tr>
<td>Orders</td>
<td>5.5%</td>
</tr>
<tr>
<td>- excl. ITER</td>
<td>51.1%</td>
</tr>
<tr>
<td>Sales</td>
<td>22.0%</td>
</tr>
<tr>
<td>Profit</td>
<td>190.2%</td>
</tr>
<tr>
<td>Adj. EPS</td>
<td>324.4%</td>
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</table>

### Margins

<table>
<thead>
<tr>
<th></th>
<th>10/11</th>
<th>09/10</th>
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<tbody>
<tr>
<td>GM%</td>
<td>43.1%</td>
<td>42.1%</td>
</tr>
<tr>
<td>TM%</td>
<td>10.5%</td>
<td>4.4%</td>
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## Segment Split

<table>
<thead>
<tr>
<th></th>
<th>Nanotechnology</th>
<th></th>
<th>Industrial Products</th>
<th></th>
<th>Service</th>
<th></th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>External revenue</strong></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>Tools</td>
<td>49.0</td>
<td>43.3</td>
<td>42.3</td>
<td>30.8</td>
<td>21.9</td>
<td>18.7</td>
<td>113.2</td>
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<tr>
<td>Products</td>
<td>1.0</td>
<td>0.1</td>
<td>0.2</td>
<td>0.2</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td><strong>Sector revenue</strong></td>
<td>49.2</td>
<td>43.5</td>
<td>43.3</td>
<td>30.9</td>
<td>21.9</td>
<td>18.7</td>
<td>113.2</td>
</tr>
<tr>
<td><strong>Trading profit/(loss)</strong></td>
<td>5.8</td>
<td>2.1</td>
<td>2.0</td>
<td>(0.7)</td>
<td>4.1</td>
<td>2.7</td>
<td>11.9</td>
</tr>
<tr>
<td>Return on sales</td>
<td>11.8%</td>
<td>4.8%</td>
<td>4.6%</td>
<td>-2.3%</td>
<td>18.7%</td>
<td>14.4%</td>
<td>10.5%</td>
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</tbody>
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Profit Bridge

- Volume: £2.8m
- FX: £8.0m
- Efficiency: £5.0m
- Mix: (£0.4m)
- Price: (£1.5m)
- Op. Costs: £4.2m
- 2010/11 Total: £10.6m
Cash Flow

- EBITDA: £15.6m
- WC: £(0.2)m
- Capex: £(2.1)m
- R&D: £(1.6)m
- Int, Tax, Shares, Fx: £(0.5)m
- Pension: £(3.5)m
- Dividend: £(1.2)m
- Movement: £6.5m
Orders

<table>
<thead>
<tr>
<th>Period</th>
<th>Sales (£m)</th>
<th>Orders (£m)</th>
<th>Orderbook (£m)</th>
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</thead>
<tbody>
<tr>
<td>H1 2009/10 ex ITER</td>
<td>92.8</td>
<td>93.5</td>
<td>60.3</td>
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<tr>
<td>H1 2009/10</td>
<td>133.9</td>
<td>102.4</td>
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<tr>
<td>H1 2010/11</td>
<td>141.3</td>
<td>113.2</td>
<td>127.2</td>
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</table>
Possible Order Model?

- Model of future demand
- Indicative Order Intake
- Long term average growth rate
Pensions

<table>
<thead>
<tr>
<th></th>
<th>Mar 10</th>
<th>Sep 10</th>
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<tbody>
<tr>
<td>Assets</td>
<td>157.5</td>
<td>164.6</td>
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<tr>
<td>Liabilities</td>
<td>(192.6)</td>
<td>(194.5)</td>
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<tr>
<td>Deficit</td>
<td>(35.1)</td>
<td>(29.9)</td>
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Five Year Plan - Sales

£m

<table>
<thead>
<tr>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
</tr>
</thead>
</table>
Five Year Plan - Profit

<table>
<thead>
<tr>
<th>Year</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
<th>H2</th>
<th>H1</th>
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<tr>
<td>2005/06</td>
<td>0.0</td>
<td>2.0</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>10.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
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<tr>
<td>2006/07</td>
<td>2.0</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>10.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
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<tr>
<td>2007/08</td>
<td>4.0</td>
<td>6.0</td>
<td>8.0</td>
<td>10.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
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<tr>
<td>2008/09</td>
<td>6.0</td>
<td>8.0</td>
<td>10.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
</tr>
<tr>
<td>2009/10</td>
<td>8.0</td>
<td>10.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
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<tr>
<td>2010/11</td>
<td>10.0</td>
<td>12.0</td>
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<td>12.0</td>
<td>12.0</td>
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<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
<td>12.0</td>
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</tbody>
</table>

£m
Operational Review

Jonathan Flint
Chief Executive
Three Business Sectors

Nanotechnology
Tools
- Nanoanalysis
- NanoScience
- Plasma Technology

Industrial
Products
- Industrial Analysis
- Magnetic Resonance
- Superconducting Wire

Service
- OI Service
- Austin Scientific
- Service elements of other two sectors
NanoAnalysis
Systems for materials analysis at the nano-scale

- Continued strong performance
- X-Max detector dominates market
- New applications
Plasma Technology
Tools for nanotechnology fabrication

- Strong performance with record orders
- High growth HBLED market
- Increased demand particularly from Asia
- Technology partnerships for new applications
- Investment in additional facilities
NanoScience
Environments for nanotechnology research

- Significantly improved performance
- Dominates low temperature research market
- Introduction of further cryogen-free products
- Demand for consultancy services increasing from quantum research

Image courtesy of D-Wave Systems Inc
Industrial Analysis
Tools for QC, Environmental and Compliance Testing

- Strong performance
- Sustained strengthening of industrial markets
- Rising metal prices increasing demand for OES and XRF metals analysis tools
- Hand-held soil analyser used to identify hazardous substances

Toxic waste spillage in Hungary September 2010
Magnetic Resonance
Benchtop NMR for industrial applications

• Strong performance
• Demand for seed analysers high in emerging nations
• Strong growth in spin-finish markets
• Launch of new product for rock core sector, enabling key analysis in more challenging environments
Superconducting Wire
leading provider of superconductors for MRI and research

- Continued strong performance
- High demand from all major customers driven by next generation MRI scanners
- First sale to ITER
Service

- All revenue streams performing well with particular growth coming from contract sales
- MRI Service performing well in Japan, slower in the US
- Significant improvement in business performance from Austin Scientific due to high demand from photovoltaic sector
Sustainability

• Continued improvement in energy efficiency across all sites
• Investment in green technology
• 11.2% reduction in energy consumed as a percentage of sales
Outlook

- Record order book
- Demand likely to remain strong
- Efficiency improvements and currency smoothing traditional bias towards second half trading
- Renewed focus on acquisition targets

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