

# Preliminary Results Announcement

## June 15<sup>th</sup> 2010



## Agenda

- Overview
- Financial Summary
- Operational Review & Outlook

Jonathan Flint

Kevin Boyd

Jonathan Flint

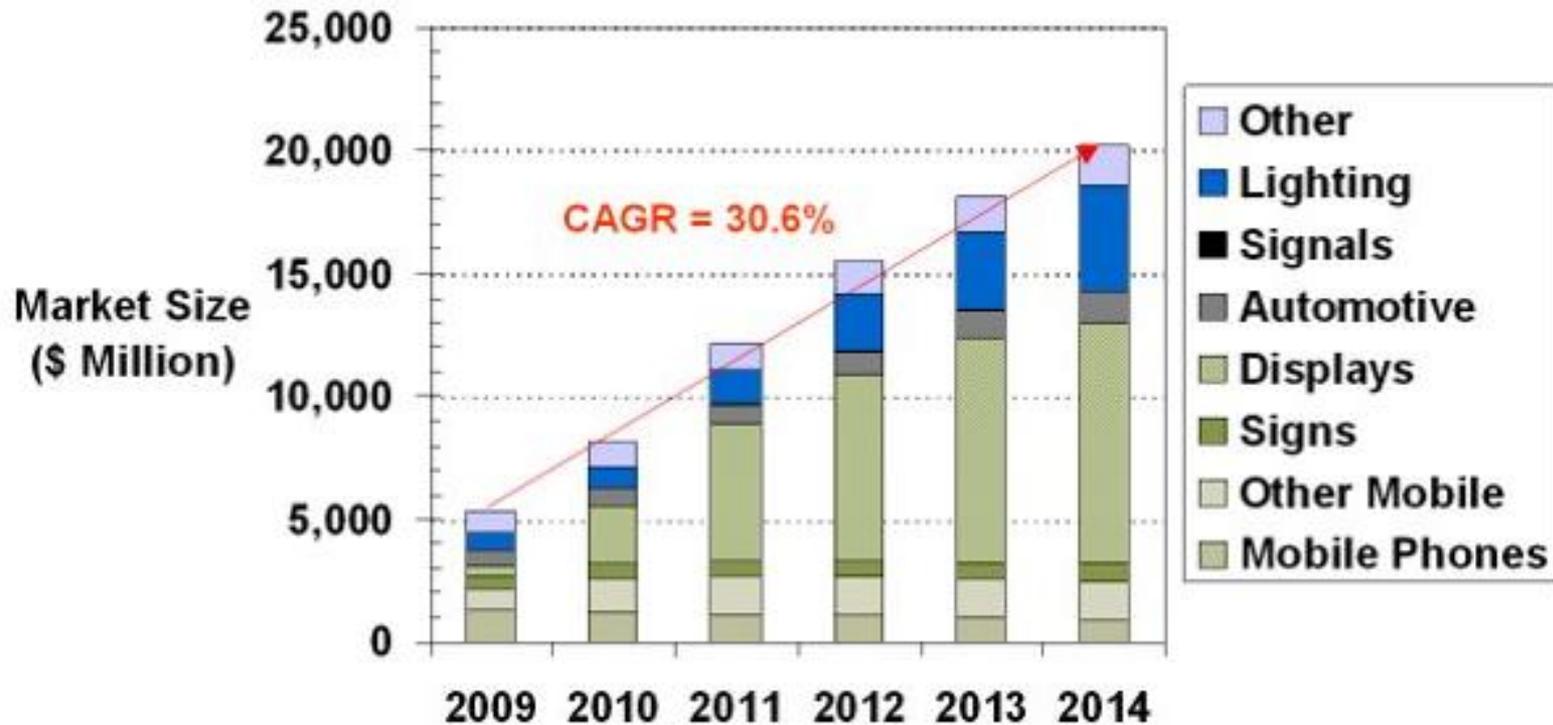
## Highlights

- Turnover increased to £211.5m
- Trading Profit up 12%
- Adjusted Earnings Per Share up 20%
- Debt reduced from £28.3m to £10.4m
- Record order-intake of £250.0m
- Final dividend maintained at 6.0 pence
- Good growth in research markets
- Recovery in industrial markets

## Overview

Issue	What we expected	What happened
Cost Base	Reduced following restructuring	Achieved
Industrial Revenues	Show recovery from low base	Slow recovery in H1. Faster in H2
Stimulus Funds	Moderate impact	Moderate impact
Research Revenues	Steady	Good increase
Selling Prices	Some price pressure	Pronounced in some sectors
Salary and Commodity Costs	Flat	Flat

## HBLED Market Forecast

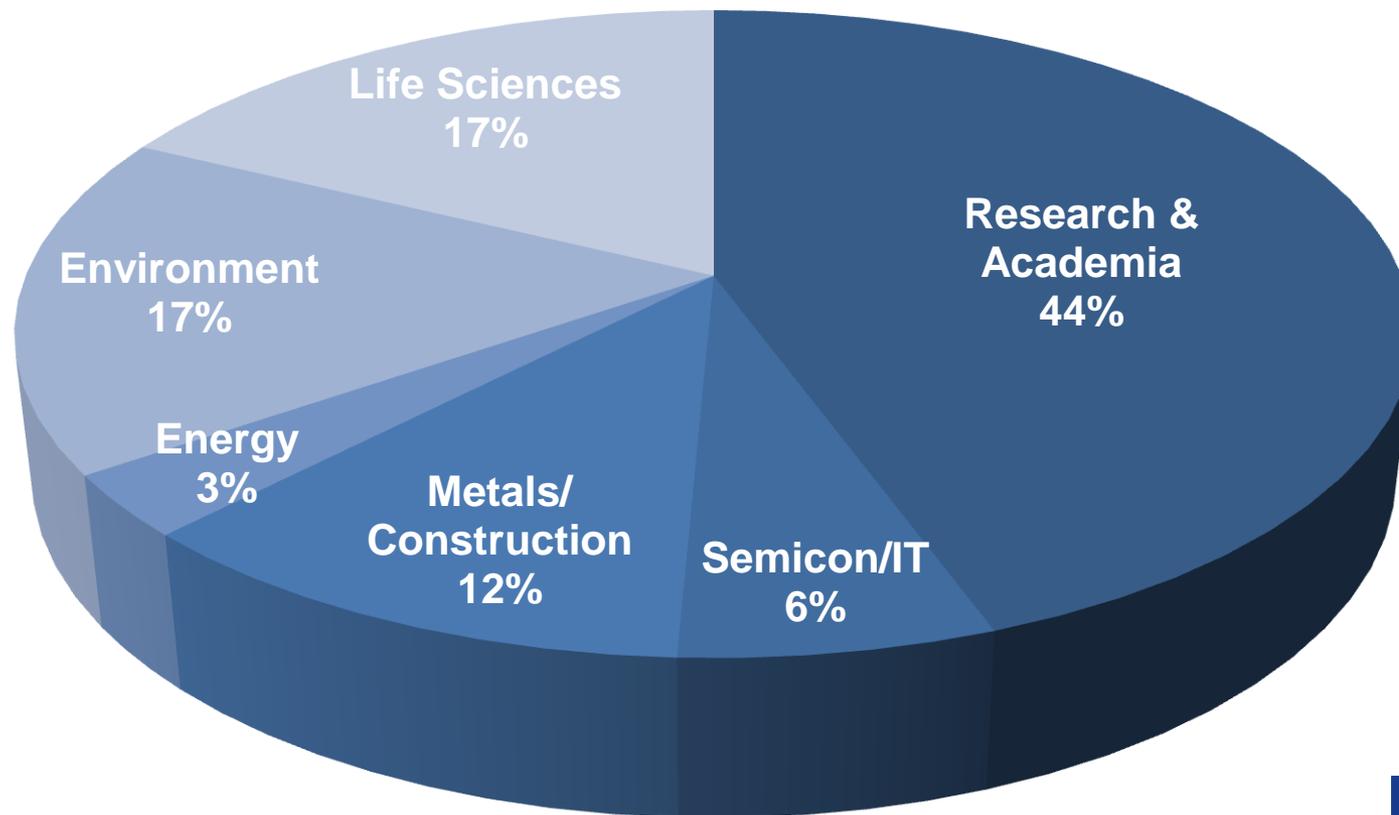


HB LED Market Forecast (Strategies Unlimited)

**Our objective is to double the size of the business and improve ROS by 10 percentage points**

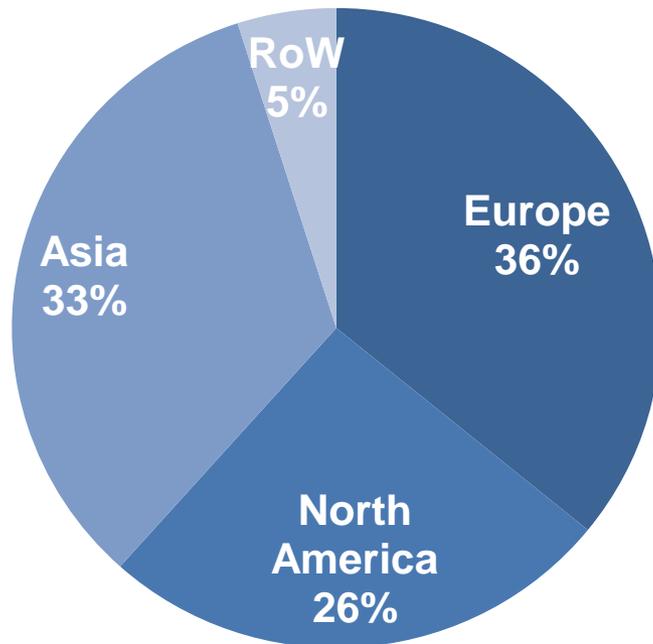
- Achieved organic growth targets for first four years
- Acquisition programme suspended during recession
- Revenue and profits growth despite recessionary pressures
- Successful restructuring and efficiency programme
- All business units now profitable

## Diverse End Markets

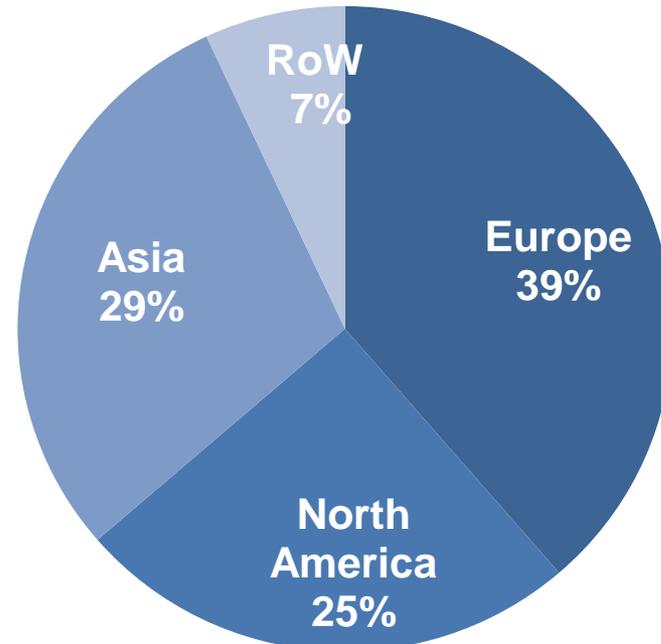


## Diverse Geographies

2009/10



2008/09



# Financial Review

Kevin Boyd  
Group Finance Director

## Financial Highlights

	2009/10	2008/09
	£m	£m
Orders	250.0	204.2
<b>Revenues</b>	<b>211.5</b>	<b>206.5</b>
Gross profit	90.6	90.7
<b>Trading profit</b>	<b>14.7</b>	<b>13.1</b>
Finance costs	(2.8)	(2.0)
<b>Adjusted profit before tax</b>	<b>11.9</b>	<b>11.1</b>
Amortisation of acquired intangibles	(4.1)	(4.3)
"Exceptionals"	(0.4)	(6.8)
Mark to Market	10.7	(9.3)
<b>Profit /(loss) before tax</b>	<b>18.1</b>	<b>(9.3)</b>
Tax	(4.8)	2.6
Earnings	13.3	(6.7)
<b>Net Debt</b>	<b>(10.4)</b>	<b>(28.3)</b>
<b>Adjusted EPS (pence)</b>	<b>17.8</b>	<b>14.8</b>
EPS (pence)	27.2	(13.9)

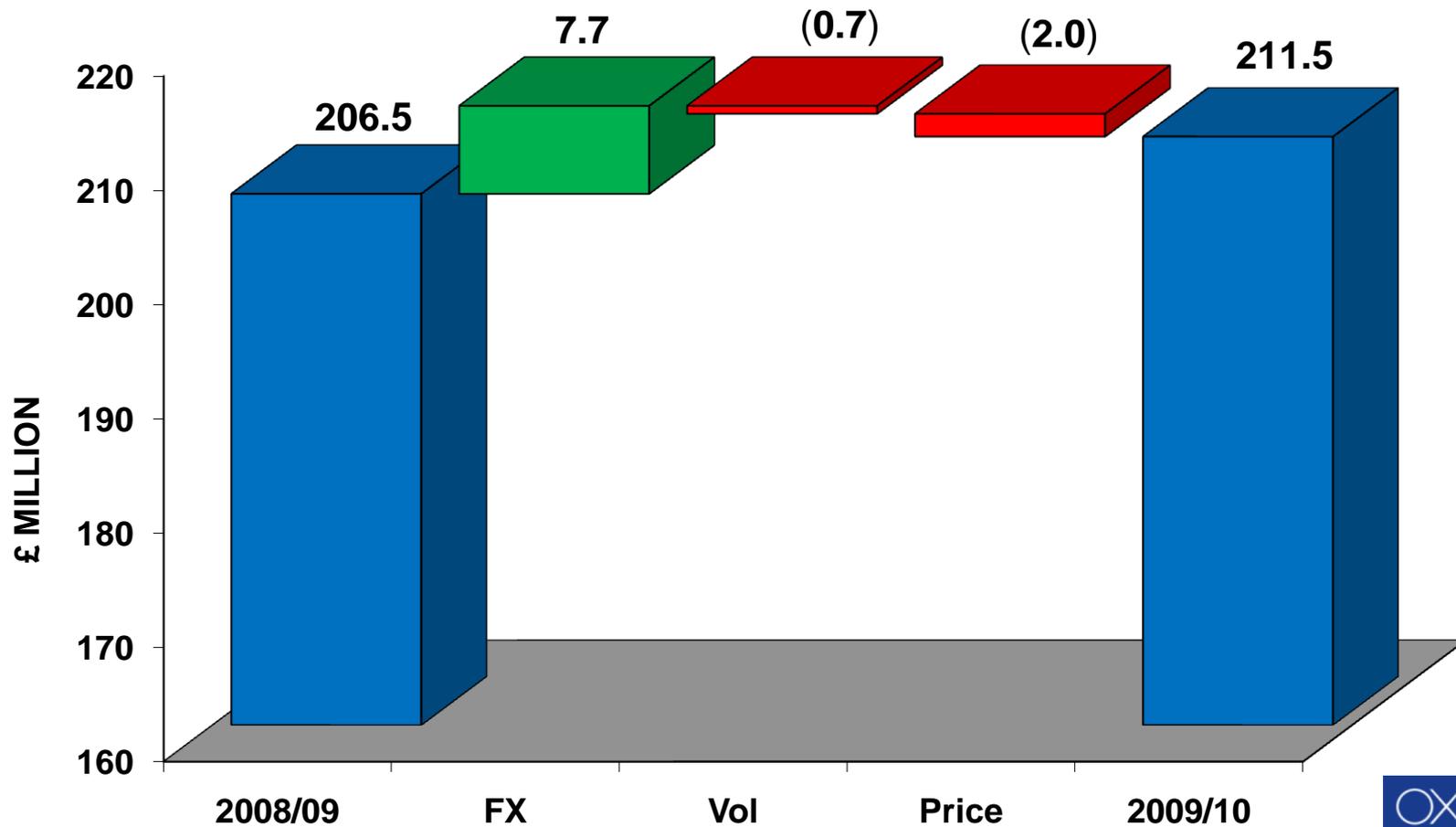
Growth	
Orders	22.4%
Sales	2.4%
Profit	12.2%
EPS	20.3%

Margins	09/10	08/09
GM%	42.8%	43.9%
TM%	7.0%	6.3%

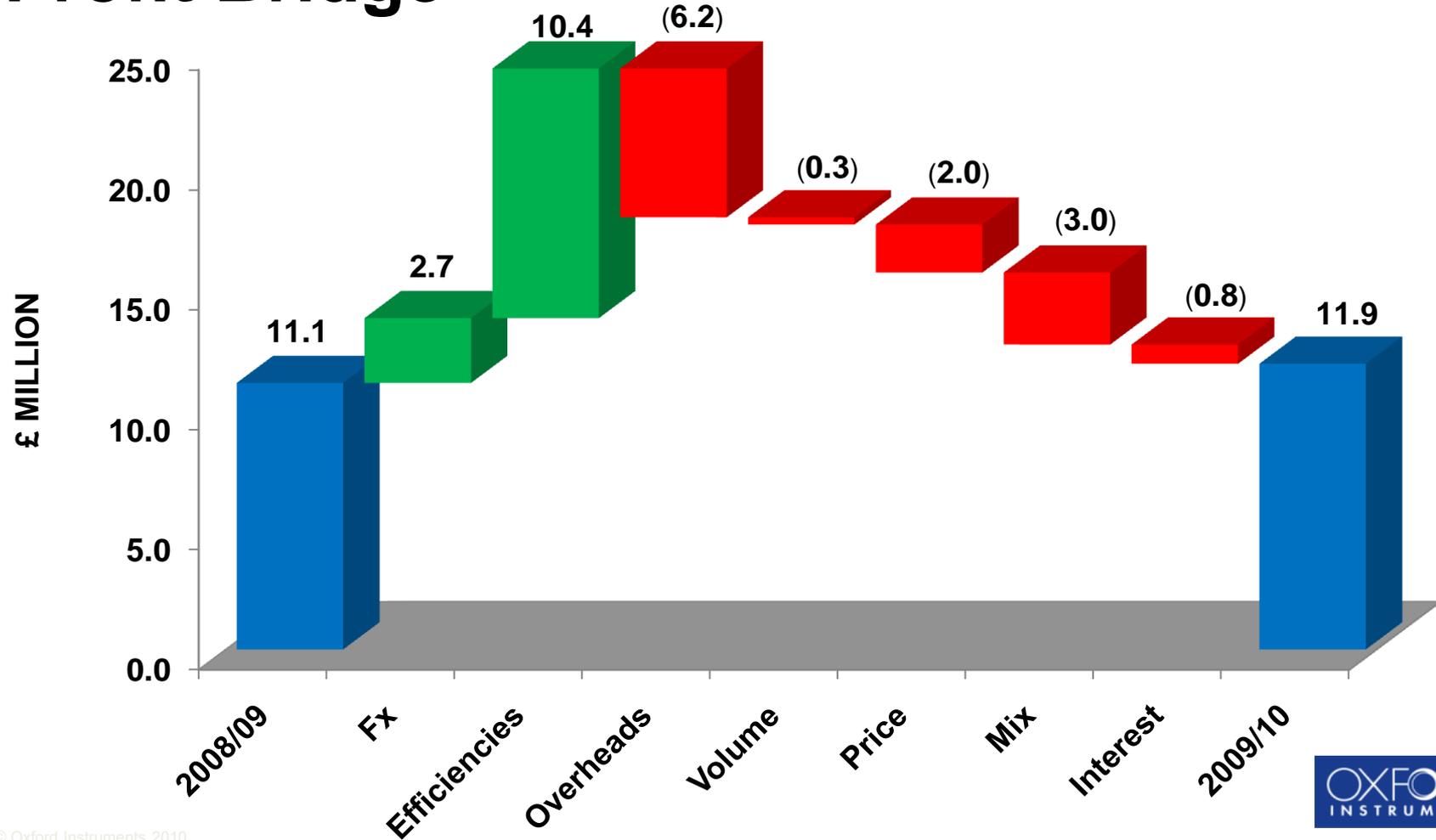
## Segment Split

	Nanotechnology Tools		Industrial Products		Service		Total	
	2009/10 £'m	2008/09 £'m	2009/10 £'m	2008/09 £'m	2009/10 £'m	2008/09 £'m	2009/10 £'m	2008/09 £'m
External revenue	101.5	93.8	71.0	75.1	39.0	37.6	211.5	206.5
Inter-segment revenue	0.3	0.4	1.1	0.4		0.3		
<b>Sector revenue</b>	<b>101.8</b>	<b>94.2</b>	<b>72.1</b>	<b>75.5</b>	<b>39.0</b>	<b>37.9</b>	<b>211.5</b>	<b>206.5</b>
Trading profit/(loss)	8.2	8.6	1.0	(1.3)	5.5	5.8	14.7	13.1
Return on sales	8.1%	9.1%	1.4%	-1.7%	14.1%	15.3%	7.0%	6.3%

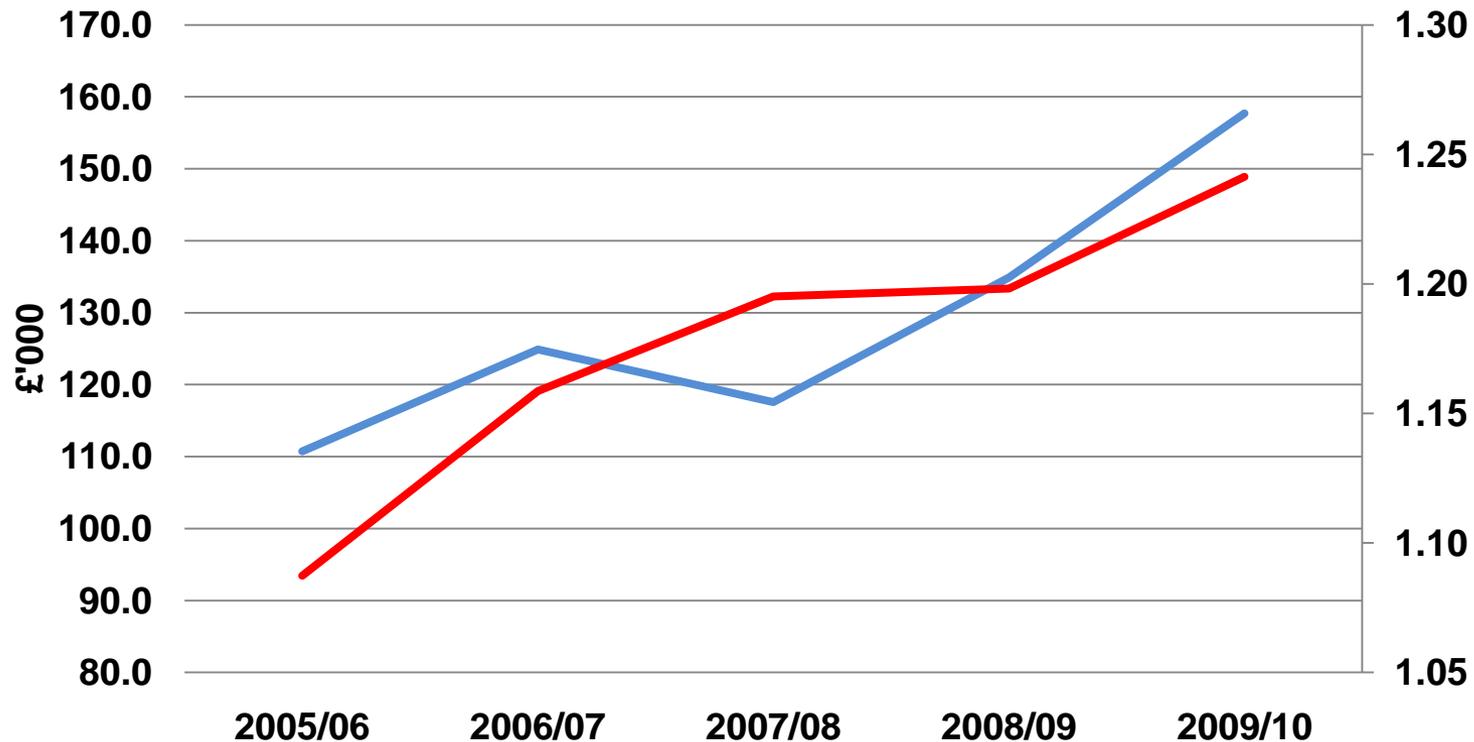
## Sales Bridge



## Profit Bridge



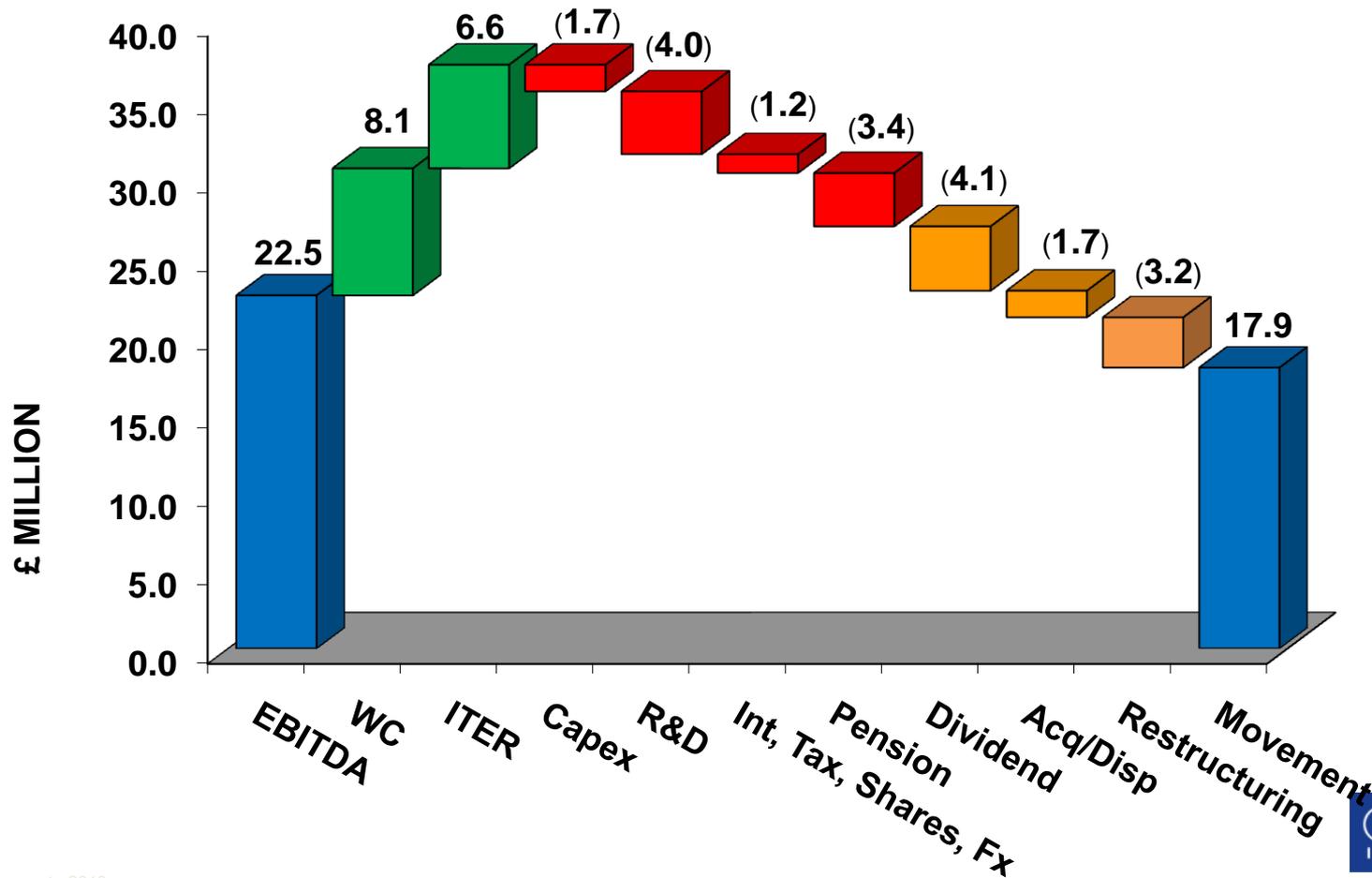
## Efficiency



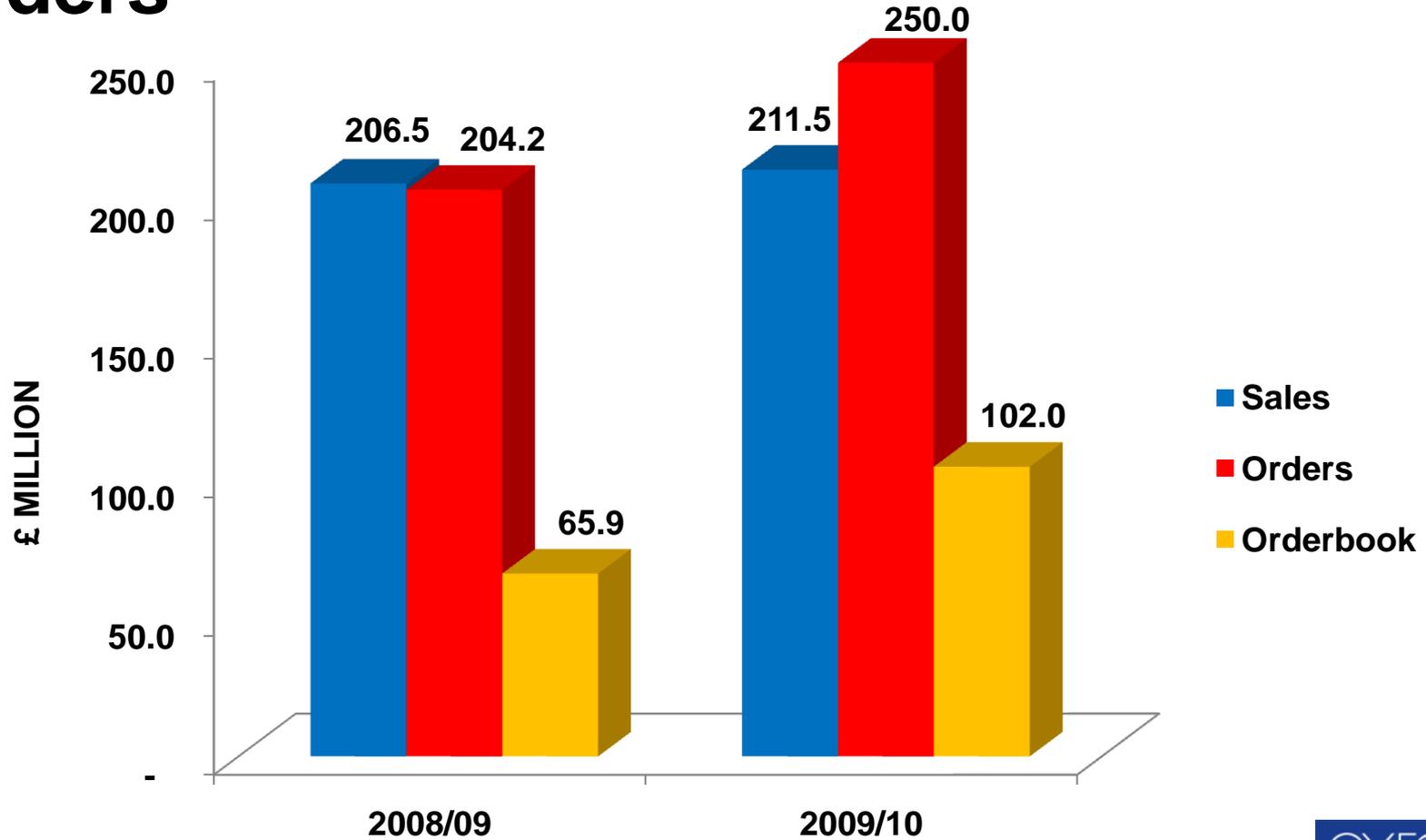
— Sales/employee — Value Add



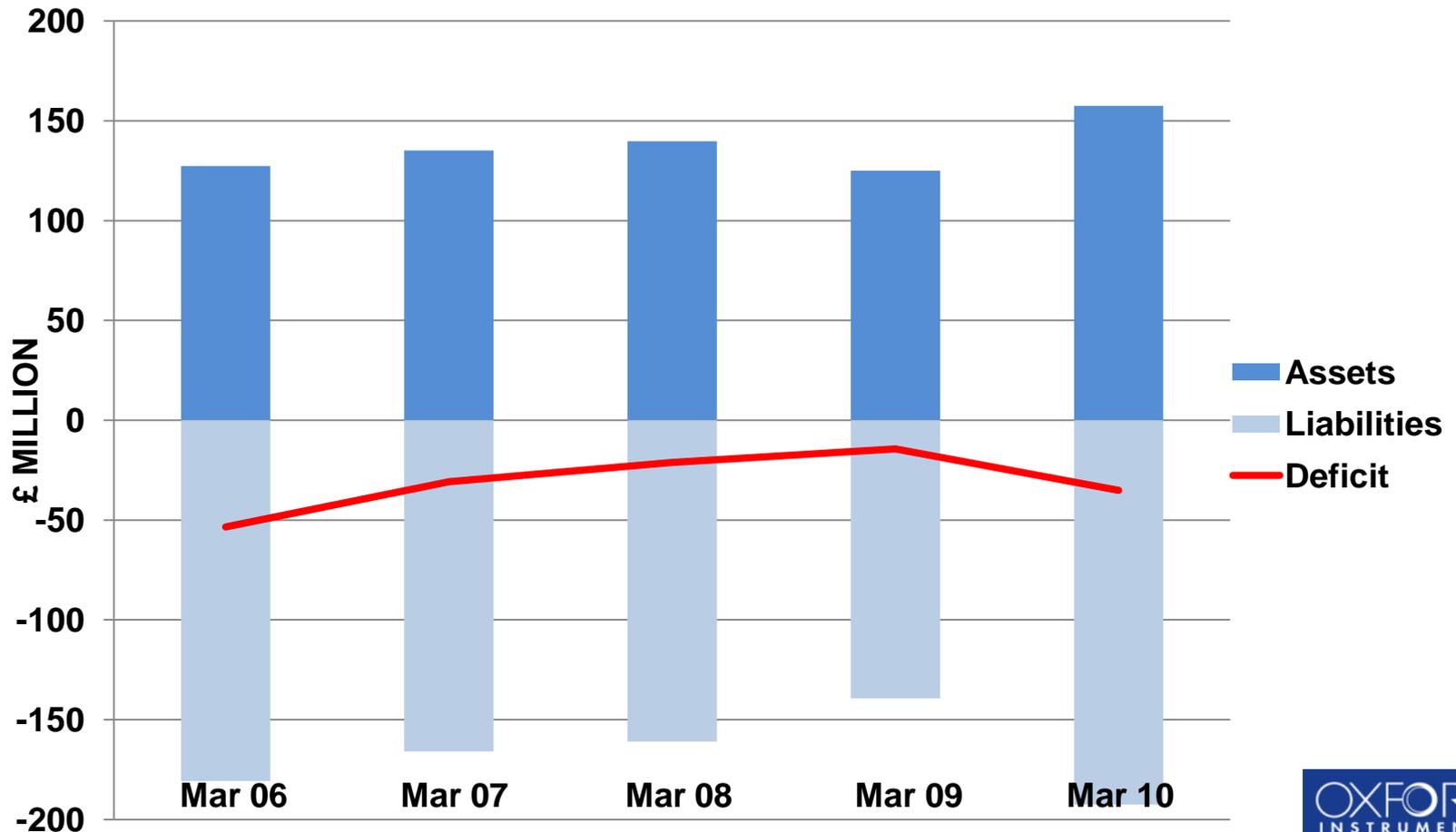
## Cash Flow



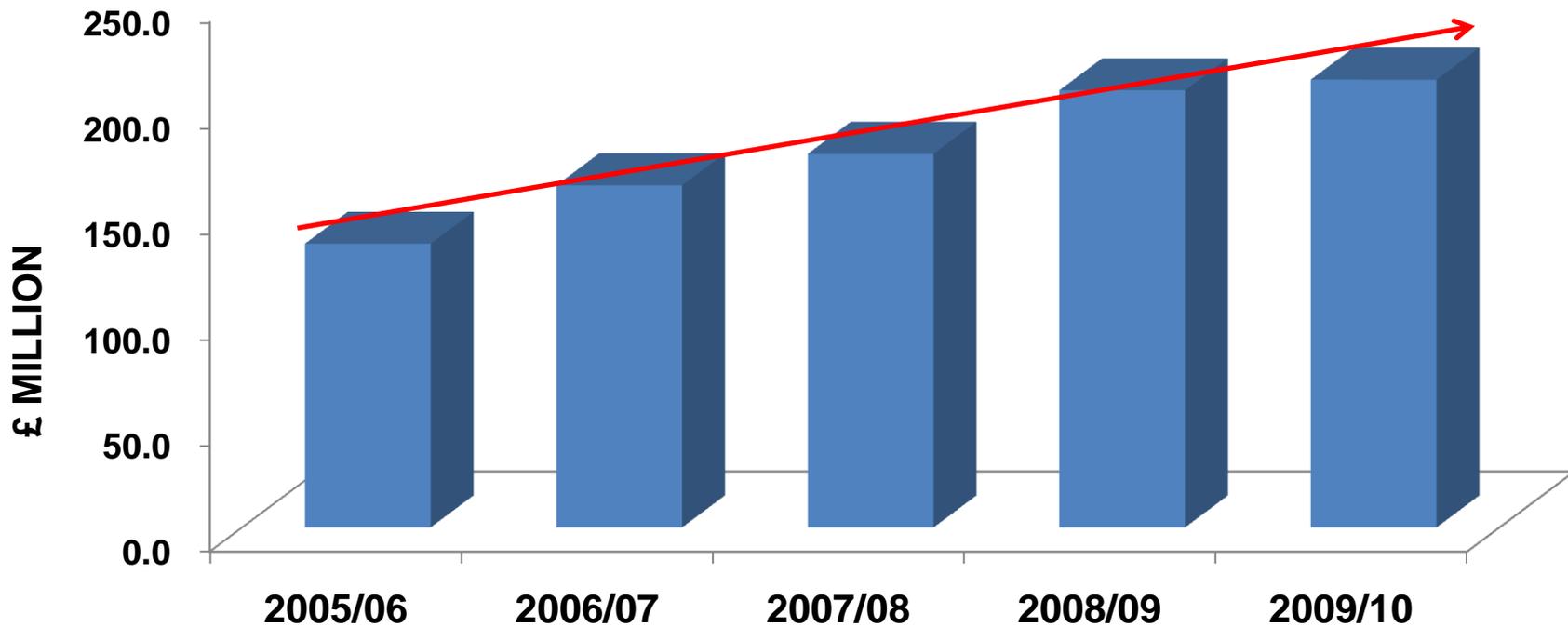
## Orders



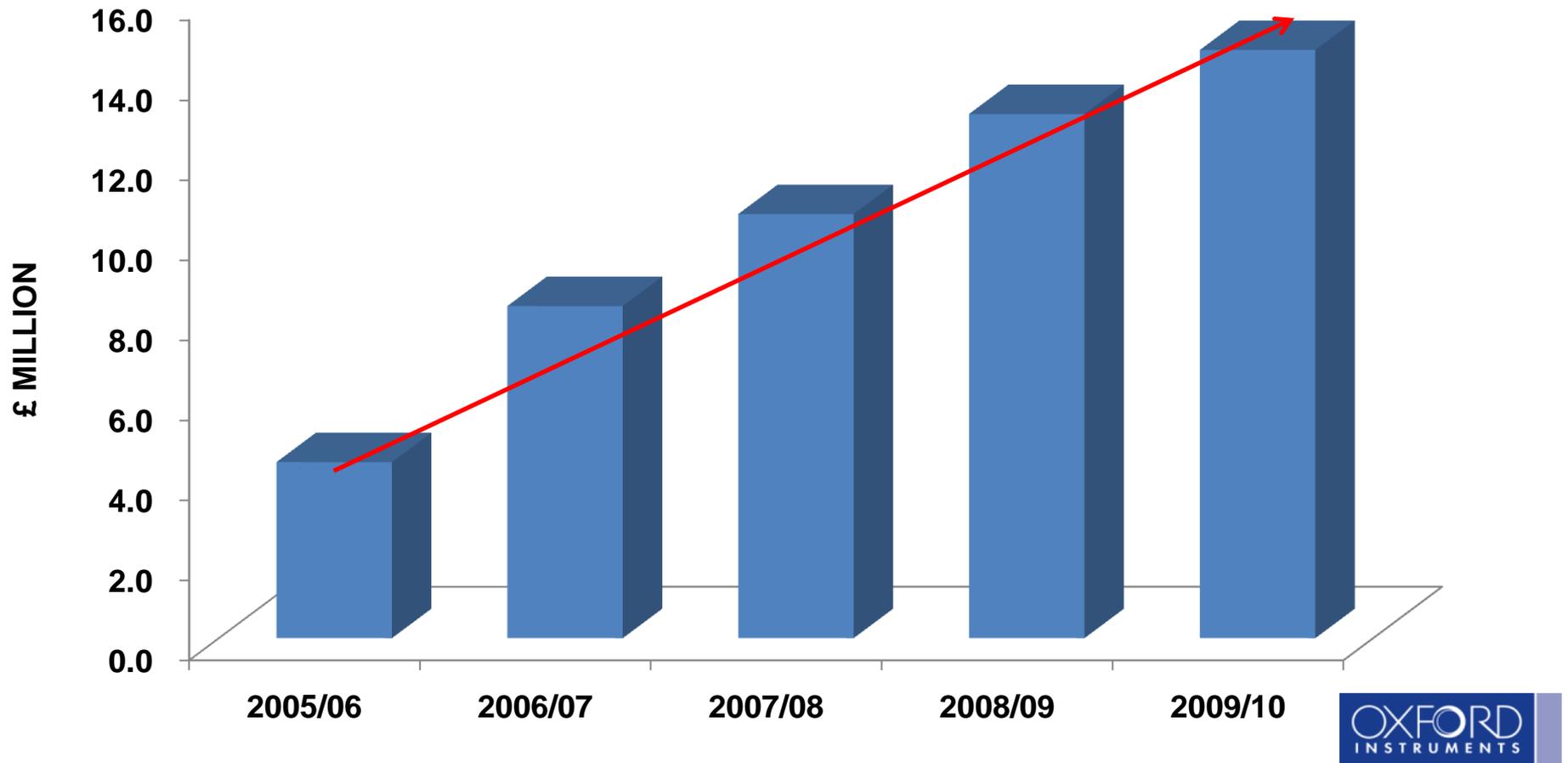
## Pensions



## Five Year Performance - Sales



## Five Year Performance - Profit



# Operational Review

**Jonathan Flint**  
**Chief Executive**



## Three Business Sectors

### Our objective

To be the leading provider of new generation tools and systems for industrial and research markets, based on our ability to analyse and manipulate matter at the smallest scale

### Nanotechnology Tools



NanoAnalysis



NanoScience



Plasma Technology

### Industrial Products



Industrial Analysis



Super -  
conducting  
Wire



Magnetic  
Resonance

### Service



MRI  
Service



Austin  
Scientific



Service  
elements  
of other two  
sectors

# NanoAnalysis

Systems for materials analysis at the nano-scale

- X-Max large area silicon drift detector dominates the market
- Research markets strengthening after weak first half
- Launch of next generation table top microscope
- Applications include:
  - Engine development in aerospace and automotive industry
  - Conservation and artefact analysis in museums around the world
  - Failure analysis for semiconductors



## NanoScience

Environments for nanotechnology research

- Improved business performance
- Strong funding in research markets
- Interest from customers in acquiring our skills and expertise through new consultancy business
- Winners of the 2010 Queen's Award for Enterprise: Innovation for Triton200
- Applications include Quantum information processing for secure data handling, climate modelling and drug development



## Plasma Technology

Tools for nanotechnology fabrication

- Very strong growth driven by Asia
- Research funding continues to grow and diversify regionally
- HBLED market growing very strongly driven by backlighting for displays
- Ion Beam tool sales growth driven by increasing applications for sensors



## Industrial Analysis

Tools for QC, Environmental and Compliance Testing

- Industrial markets showing signs of recovery
- Growth opportunities in hand-held instrumentation
- Success of Foundry Master Pro in steel sector
- Successful restructuring of the business
- Applications include:
  - Metals analysis
  - Analysis on designer accessories and jewellery
  - Low sulfur in petroleum



# Superconducting Wire

leading provider of superconductors for MRI and research

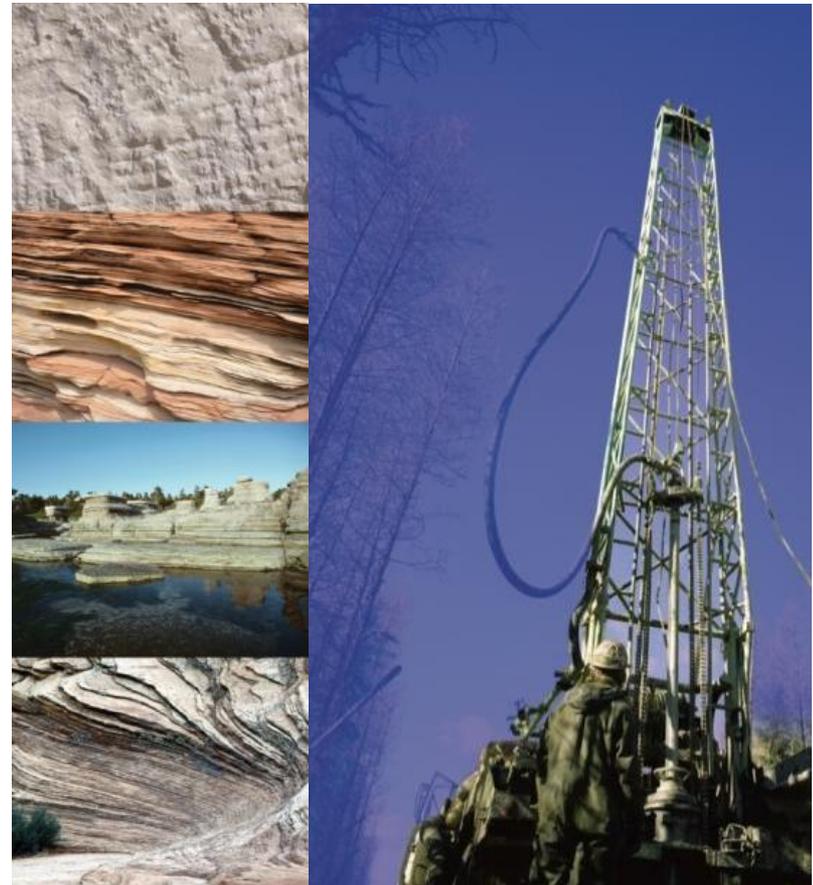
- Record orders resulting from \$62m ITER order
- Significant manufacturing ramp up initiated to prepare for ITER deliveries
- MRI demand increasing



## Magnetic Resonance

Benchtop NMR for industrial applications

- Strong performance
- Large order from Turkish agricultural co-operative to measure oil content in sunflower seeds
- Leading supplier for rock core analysis tools in the energy sector
- New product development projects focused on rock core sector



## Service

- Increase in number of MRI systems serviced in USA
- Growth opportunities for helium-fill services
- Expanding technical support in Japan and other Asian markets
- Growth in industrial service contracts

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## Sustainability Programme

- Objective to reduce our global energy usage by 5% year on year
- Full participant in the Carbon Reduction Commitment Energy Efficiency Scheme (CRC) and Carbon Trust Standard
- Commitment to reducing waste output and increase recycling



## Summary and Outlook

- Research markets remain robust
- Improving industrial markets
- Strong growth in Asia
- Continued focus on efficiency
- New Product Introduction programmes in place
- Strong foundation for growth

*“ Now that global markets are recovering, we are confident these efficiency improvements and new products will deliver further growth in the current year and form a strong foundation from which we can deliver long term shareholder value.”*



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