Preliminary Results Announcement

Jonathan Flint – Chief Executive
Kevin Boyd – Group Finance Director

June 14th 2011
Agenda

• Highlights
• Financial Summary
• Operational Review
• Strategy
• Acquisitions
• Outlook
Highlights

- Strong performance from both Research and Industrial sectors
- Significant growth in Asia
- Record order intake
- Strong cash generation
- Increase in dividend
Financial Review
# Financial Highlights

<table>
<thead>
<tr>
<th></th>
<th>2010/11</th>
<th>2009/10</th>
<th>Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Orders (£m)</td>
<td>273.5</td>
<td>250.0</td>
<td>9.4%</td>
</tr>
<tr>
<td>Revenues (£m)</td>
<td>262.3</td>
<td>211.5</td>
<td>24.0%</td>
</tr>
<tr>
<td>Trading profit (£m)</td>
<td>28.1</td>
<td>14.7</td>
<td>91.2%</td>
</tr>
<tr>
<td>Return On Sales (%)</td>
<td>10.7%</td>
<td>7.0%</td>
<td>+3.7pp</td>
</tr>
<tr>
<td>Adjusted profit before tax (£m)*</td>
<td>26.2</td>
<td>11.9</td>
<td>120.2%</td>
</tr>
<tr>
<td>Adjusted EPS (pence)*</td>
<td>41.5</td>
<td>17.8</td>
<td>133.1%</td>
</tr>
<tr>
<td>Dividend (pence)</td>
<td>9.0</td>
<td>8.4</td>
<td>7.1%</td>
</tr>
<tr>
<td>Net Cash/(Debt) (£m)</td>
<td>13.1</td>
<td>(10.4)</td>
<td>23.5</td>
</tr>
</tbody>
</table>

* Adjusted figures are stated before other operating income, amortisation of acquired intangibles, reorganisation costs, impairments and marking to market of hedging derivatives.
Sales (£m)

<table>
<thead>
<tr>
<th>Year</th>
<th>Vol</th>
<th>Fx</th>
<th>Price</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009/10</td>
<td>211.5</td>
<td>51.3</td>
<td>2.4</td>
<td>262.3</td>
</tr>
</tbody>
</table>

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Sales by Destination

2010/11
- Asia, 38% (Growth 41%)
- Europe, 32% (Growth 11%)
- North America, 27% (Growth 24%)
- RoW, 3% (Growth 9%)

2009/10
- Europe, 36%
- Asia, 33%
- North America, 27%
- RoW, 4%
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Profit Bridge

<table>
<thead>
<tr>
<th>Year</th>
<th>Volume</th>
<th>Ex</th>
<th>Interest</th>
<th>Price</th>
<th>EffIMix</th>
<th>Op Ex/R&amp;D</th>
<th>2010/11</th>
</tr>
</thead>
<tbody>
<tr>
<td>£m</td>
<td>11.9</td>
<td>22.0</td>
<td>7.8</td>
<td>0.9</td>
<td>(2.9)</td>
<td>(2.3)</td>
<td>26.2</td>
</tr>
</tbody>
</table>
Efficiency

Value Add Index = (Trading Profit + Employment Costs)/Employment Costs
Orderbook

£m

2009/10 2010/11

Sales
Orders
Orderbook

211.5 250.0

101.5

262.3 273.5

115.3

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The Business of Science®
Operational Review
## Three Business Sectors

<table>
<thead>
<tr>
<th>Nanotechnology Tools</th>
<th>Industrial Products</th>
<th>Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>• NanoAnalysis</td>
<td>• Industrial Analysis</td>
<td>• OI Service</td>
</tr>
<tr>
<td>• NanoScience</td>
<td>• Magnetic Resonance</td>
<td>• Austin Scientific</td>
</tr>
<tr>
<td>• Plasma Technology</td>
<td>• Superconducting Wire</td>
<td>• Service of other 2 sectors</td>
</tr>
</tbody>
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<thead>
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<th></th>
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</thead>
<tbody>
<tr>
<td>£m Revenue</td>
<td>121.4</td>
<td>101.5</td>
<td>95.6</td>
<td>71.0</td>
<td>45.3</td>
<td>39.0</td>
</tr>
<tr>
<td>Trading profit</td>
<td>14.6</td>
<td>8.2</td>
<td>5.9</td>
<td>1.0</td>
<td>7.6</td>
<td>5.5</td>
</tr>
<tr>
<td>Return on sales</td>
<td>12.0%</td>
<td>8.1%</td>
<td>6.2%</td>
<td>1.4%</td>
<td>16.8%</td>
<td>14.1%</td>
</tr>
</tbody>
</table>
NanoTechnology Tools
High-performance technology products for research and industry

- Strong performance with record orders
- Growth buoyed by demand from nanotechnology sector for nano-characterisation and fabrication tools
- Record growth in China due to investment in sales and service
- Sales of new products exceed expectations
Industrial Products

Analytical systems for Quality Control, Environmental and Compliance Testing for industry and research

- Strong performance driven by increased demand in all industrial segments
- Opportunities in emerging markets particularly in steel and metal sectors
- Successful ramp up for ITER
- Significant growth in MRI market
- Growth applications e.g. rock core analysis and rice harvests
Service

- Reorganisation to focus on Service progressing well
- Strong service orders and sales
- Very strong Austin Scientific sales into semi-conductor and solar market
- Focus on Brand development
Strategy
Culmination of Five Year Plan

• Culture change
• New Product Introduction/R&D
• Efficiency programmes and cash control
• Brand value
Five Year Plan - Sales

CAGR 14.4%
Five Year Plan - Trading Profit

£m

- Trading Profit
- ROS


<table>
<thead>
<tr>
<th>Year</th>
<th>Trading Profit</th>
<th>ROS</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005/06</td>
<td>4.4</td>
<td></td>
</tr>
<tr>
<td>2006/07</td>
<td>8.3</td>
<td></td>
</tr>
<tr>
<td>2007/08</td>
<td>10.6</td>
<td></td>
</tr>
<tr>
<td>2008/09</td>
<td>13.1</td>
<td></td>
</tr>
<tr>
<td>2009/10</td>
<td>14.7</td>
<td></td>
</tr>
<tr>
<td>2010/11</td>
<td>28.1</td>
<td></td>
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</table>
The 14 Cubed plan

Target compound revenue growth of 14% and a target return on sales of 14% by 2014
How will the 14 Cubed plan be achieved?

- Organic Growth
- Process Efficiencies
- Bolt-on Acquisitions
Two acquisitions announced today

- Managed as part of Nanotechnology Tools sector
- Shared customer base
- New product opportunities
- An unrivalled capability in Nanotechnology Tools
- EPS enhancing in current year
Omicron Nanotechnology GmbH

- German based, designs and produces advanced microscopes and chemical analysis instruments for nanotechnology research
- Products used by scientists for research into the properties of materials using ultra high vacuum to ensure extreme sample purity
- Microscopes can image and move individual atoms allowing the observation and manufacture of nanostructures
- Applications include next generation computer storage and processing devices

The Omicron logo written in individual atoms
Omniprobe, Inc.

- US based, designs and produces tools giving customers nanoscale laboratory capabilities within microscopes
- Customers in research sectors, including nanotechnology and semiconducting devices
- Products enable probing, manipulation, selective deposition and etch, and sample preparation at the nanoscale
- A key application is the use of probes to cut out and remove ultra small pieces of a silicon wafer for quality control testing
## Acquisition Financials

<table>
<thead>
<tr>
<th>£m</th>
<th>Omicron**</th>
<th>Omniprobe***</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenues</td>
<td>33.0</td>
<td>5.5</td>
</tr>
<tr>
<td>Operating Profit</td>
<td>2.8</td>
<td>1.0</td>
</tr>
<tr>
<td>Return on Sales</td>
<td>8.5%</td>
<td>18.2%</td>
</tr>
<tr>
<td>Consideration</td>
<td>23.8 + 4.3*</td>
<td>12.1</td>
</tr>
<tr>
<td>Transaction EV/EBIT</td>
<td>8.5x</td>
<td>12.1x</td>
</tr>
</tbody>
</table>

* Purchase of freehold land and buildings valued at £4.3m  
** Vendor management accounts y/e 31/12/10 translated at €1.15  
*** Vendor management account for 12 months to 31/3/11 translated at US$1.65
Summary and Outlook

• Strong growth and record profitability in 2010/11
• New medium term strategic plan
• Current trading positive
• Increased dividend
• Acquisitions
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