



Spectris plc
2011 Interim Results

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- **Highlights**
- **Financial performance**
- **Business update**
- **Summary**

- Double-digit sales and profit increase in all segments
- Strong growth in all four regions
- Contribution from 2010 acquisitions ahead of expectations
- Record H1 operating profit and earnings per share
- Cash conversion at top end of our expectations
- Agreement to acquire Omega Engineering for \$475m
- Dividend up by 15%

Financial Performance

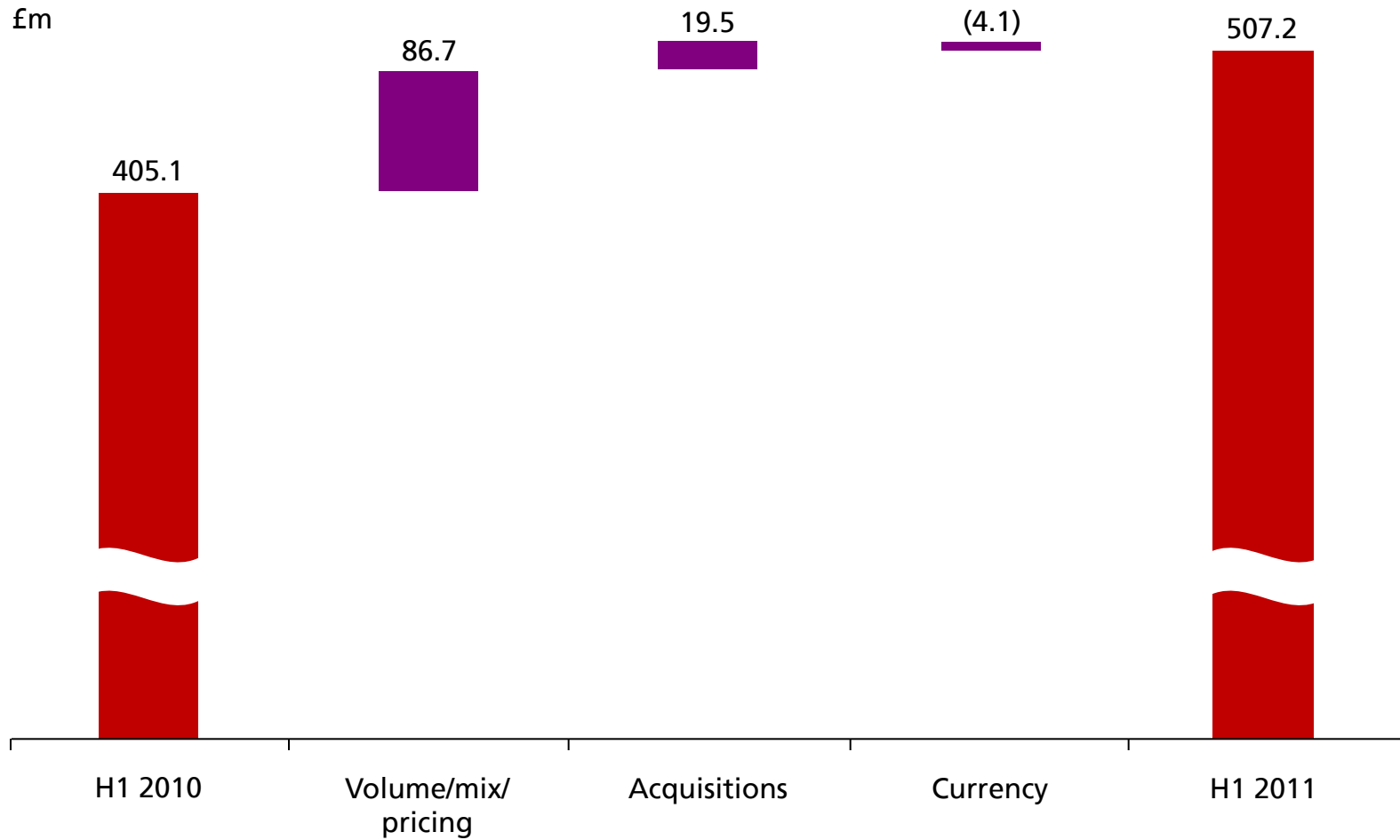
Clive Watson
Group Finance Director

	H1 2011	H1 2010	Change	Change at CER**	Organic change at CER***
Sales (£m)	507.2	405.1	+25%	+26%	+21%
Adjusted operating profit (£m) *	81.5	49.9	+63%	+64%	+55%
Adjusted return on sales (%) *	16.1%	12.3%	+3.8pp		
Adjusted profit before tax (£m) *	77.7	44.7	+74%		
Adjusted tax rate (%) *	25.0%	24.0%	+1.0pp		
Adjusted earnings per share (pence) *	50.2	29.4	+71%		
Dividend (pence)	8.2	7.1	+15%		
Operating cash (£m)	63.5	66.3	-4%		
Cash conversion *	78%	133%	-55pp		

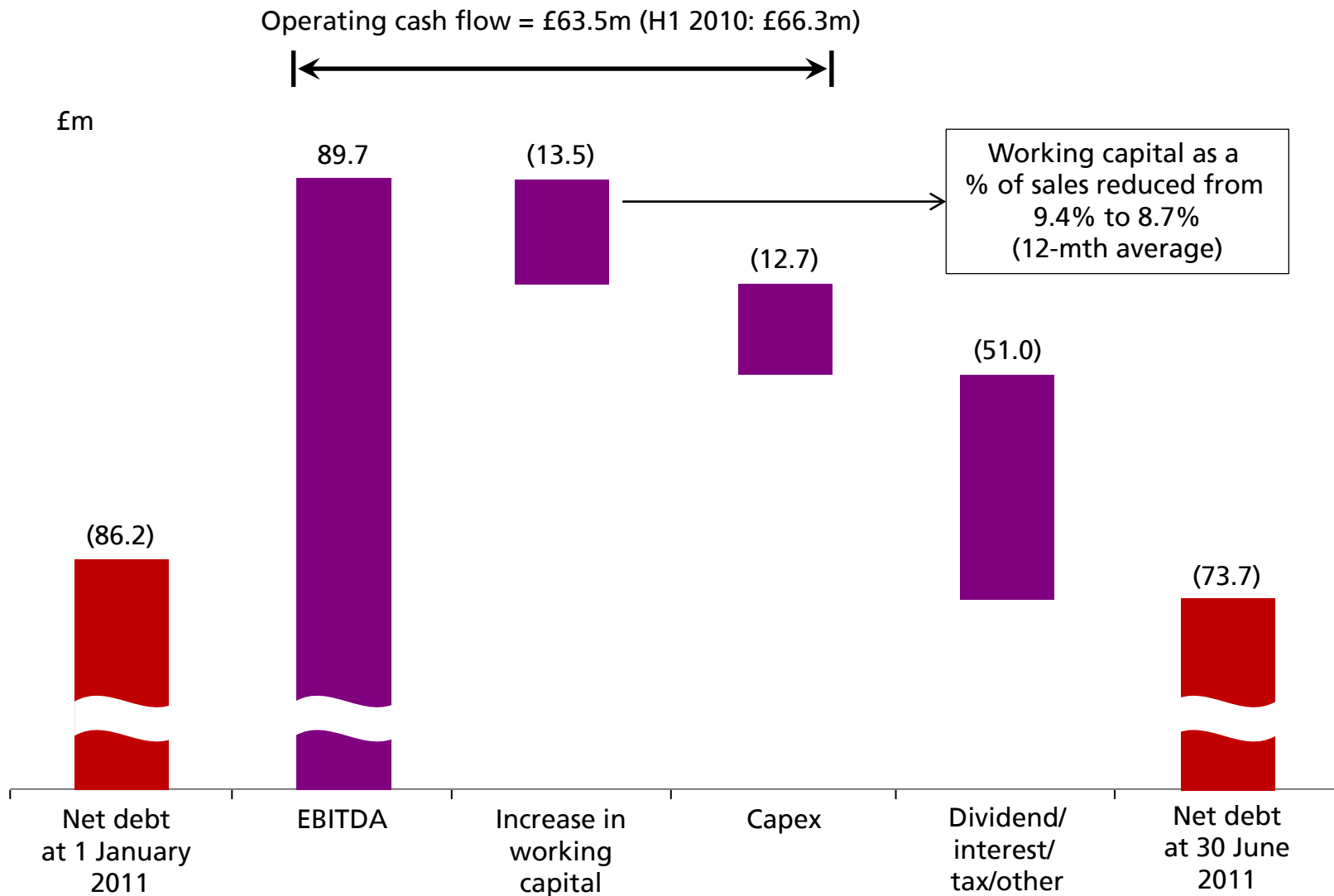
Notes

* Adjusted figures exclude certain non-operational items

** At constant exchange rates *** At constant exchange rates excluding acquisitions







	Materials Analysis		Test and Measurement		In-line Instrumentation		Industrial Controls		Total	
	<u>H1 11</u>	<u>H1 10</u>	<u>H1 11</u>	<u>H1 10</u>	<u>H1 11</u>	<u>H1 10</u>	<u>H1 11</u>	<u>H1 10</u>	<u>H1 11</u>	<u>H1 10</u>
Sales (£m)	156.1	119.3	162.8	131.3	147.7	126.9	40.6	27.6	507.2	405.1
Organic sales growth at constant currencies (%)	26%	0.4%	25%	4%	13%	18%	26%	29%	21%	8%
Adjusted operating profit (£m)	24.3	13.9	20.9	8.2	28.1	23.7	8.2	4.1	81.5	49.9
Return on sales (%)	15.6%	11.7%	12.9%	6.3%	19.0%	18.7%	20.3%	14.9%	16.1%	12.3%

Business Update

John O'Higgins
Chief Executive

- Strengthen market positions through innovation
- Expand regionally with a focus on emerging markets
- Increase our presence in key strategic growth areas, both organically and through acquisition
- Grow existing businesses through acquisition
- Focus on operational excellence

Laboratory / Off-line

Process / Manufacturing

MATERIALS ANALYSIS

TEST AND MEASUREMENT

IN-LINE INSTRUMENTATION

INDUSTRIAL CONTROLS

Pharma/life sciences
Mining/metals
Semiconductors
Research institutes

Automotive
Aerospace
Electronics
Environmental

Process industries
Pulp & paper
Energy
Converting

General mfg
Distributors
Machine building



% group sales
H1 2011 **31%**

32%

29%

8%

- Strong growth in metals and mining as market returns to growth
- Good demand from pharmaceutical market
- Academic markets continue to grow, helped by demand from emerging economies, eg China, Latin America
- Continued strength in electronics sector: flat panel displays, solar, LEDs



	H1 2010				H1 2011	v H1 2010
		Organic	FX	Acq.		Reported
Sales (£m)	119.3	30.7	(0.9)	7.0	156.1	+31%
Op. profit (£m)	13.9	9.8	(0.3)	0.9	24.3	+74%
ROS	11.7%				15.6%	+3.9pp

- Strong growth continued in automotive market in all regions
- New project wins in aerospace market
- Extension of noise monitoring into construction and mining
- Good progress in other markets including power
- Good drop through on year-on-year revenue growth



	H1 2010				H1 2011	v H1 2010
		Organic	FX	Acq.		Reported
Sales (£m)	131.3	32.2	(0.7)	-	162.8	+24%
Op. profit (£m)	8.2	12.7	-	-	20.9	+157%
ROS	6.3%				12.9%	+6.6pp

- Growth maintained throughout the segment in all major regions
- Continued strong demand from tissue producers and pulp & paper investments in China
- Continued investment in electronics innovation and manufacturing processes
- Demand remained strong from energy and industrial gas markets, helped by Delta F acquisition in 2010



	H1 2010				H1 2011	v H1 2010
		Organic	FX	Acq.		Reported
Sales (£m)	126.9	16.7	(0.1)	4.2	147.7	+16%
Op. profit (£m)	23.7	2.4	0.6	1.4	28.1	+19%
ROS	18.7%				19.0%	+0.3pp

- Good growth in sales with strong profitability
- New products strengthen market positions
- Continued expansion of distribution channels
- Strong contribution from N-Tron
- Omega Engineering will provide a new strategic growth platform



	H1 2010				H1 2011	v H1 2010
		Organic	FX	Acq.		Reported
Sales (£m)	27.6	7.1	(2.4)	8.3	40.6	+47%
Op. profit (£m)	4.1	2.6	(0.6)	2.1	8.2	+100%
ROS	14.9%				20.3%	+5.4pp

- Broad product portfolio

- Temperature
- Pressure and force
- Flow and level
- Data measurement and process automation

- Differentiated sales model

- Internet, phone and catalogue
- Broad blue-chip customer base
- Strong North American presence (80% revenue)



- Resilient sales and earnings profile

- Brings scale to the Industrial Controls segment
- Attractive, defensible business model with multiple barriers to entry:
 - Brand recognised as the “go to” company for small control projects
 - Market presence is focused on the “long tail” of small users
 - Unrivalled product breadth
 - In-house manufacturing for high volume, high margin products; remainder sourced from third parties
 - Strong inside sales and customer support processes
 - Long-term customer relationships (>10 years for 89 of top 100)
- Cross channel and supply chain opportunities with other Spectris businesses
- Strong operational management team and an excellent cultural fit within Spectris group

Materials Analysis



Epsilon 3 portable X-ray spectrometer



Facility Pro environmental monitoring system

Test and Measurement



VC-LAN Vibration Controller



Sentinel Mining noise management solution

In-line Instrumentation



LayScan non-contact optical measurement system



Zeta potential analyser for pulp and paper

Industrial Controls



Vision Mini smart camera



Gigabit capable fully managed industrial ethernet switch

£m	H1 2011	% of group sales	H1 2010	% of group sales	Change	Change at CER	Organic change at CER
Europe	177.3	35%	149.2	37%	+19%	+18%	+18%
Germany	55.1	11%	46.3	11%	+19%	+19%	+18%
North America	125.1	25%	98.8	24%	+27%	+34%	+26%
Asia Pacific	169.5	33%	129.6	32%	+31%	+29%	+21%
China	70.4	14%	48.0	12%	+47%	+48%	+39%
Japan	42.5	8%	33.5	8%	+27%	+21%	+6%
Rest of the world	<u>35.3</u>	7%	<u>27.5</u>	7%	+28%	+28%	+27%
Group total	507.2		405.1		+25%	+26%	+21%

Aftersales, service and consumables grew by 18%,
representing 27% of group sales

- Strong start to 2011: double-digit sales growth in all segments and regions
- Operating margins improved to 16.1%
- Enhancing our good strategic position through R&D and acquisitions
- Recent trading in line with expectations
- Growth rates will revert to more normal levels
- Remain confident of good progress for full year



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