

*Enhancing Productivity*



**Spectris plc**

**2008 preliminary results**

**24 February 2009**

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- Highlights
- Financial performance
- Business update
- Summary

- All major regions grew sales at constant currencies
- Good progress on delivery of strategy
- Acquisitions increase presence in key markets
- Strong balance sheet; interest covered 14 times
- Dividend increased by 11%

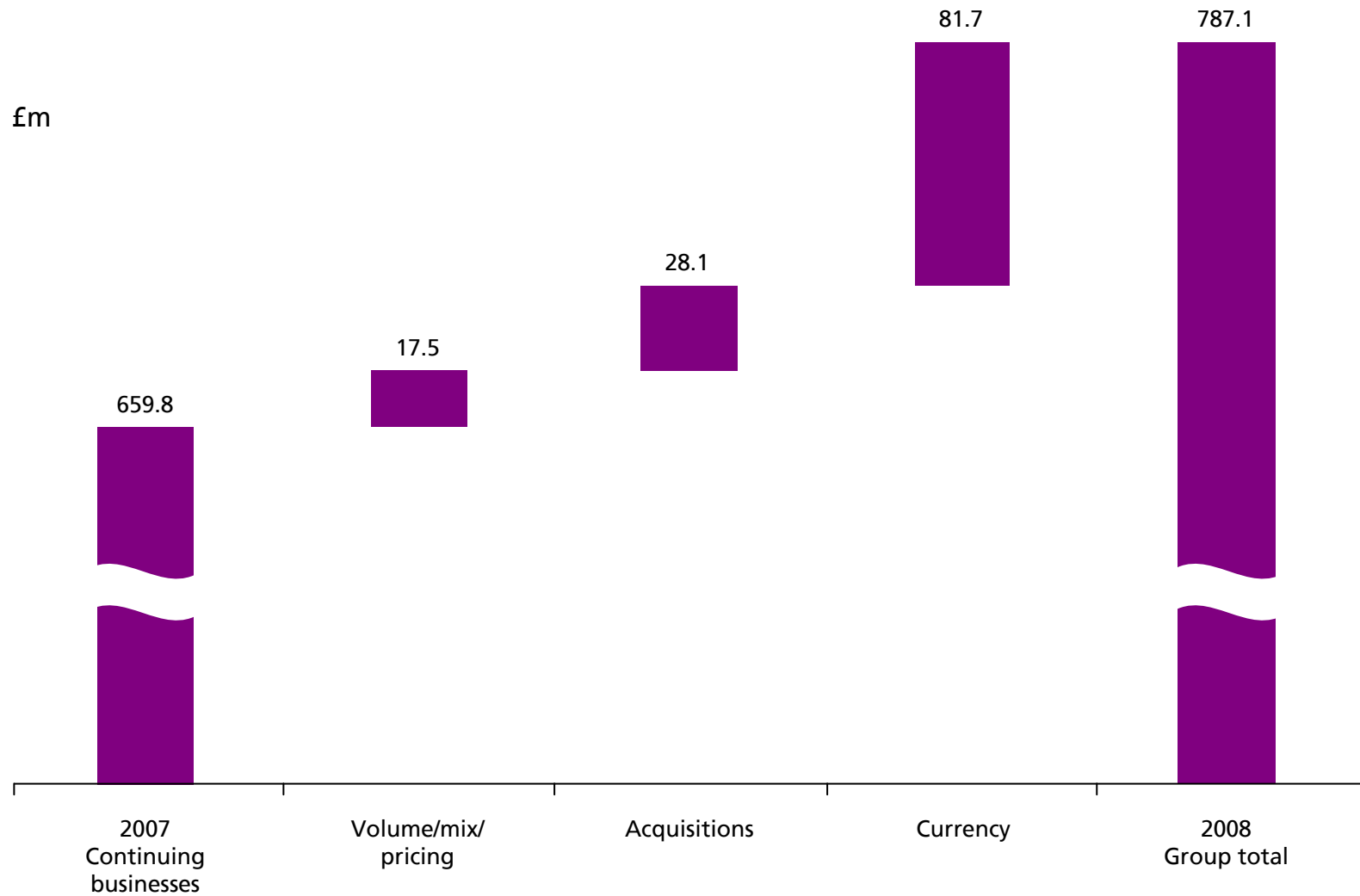
# Financial performance

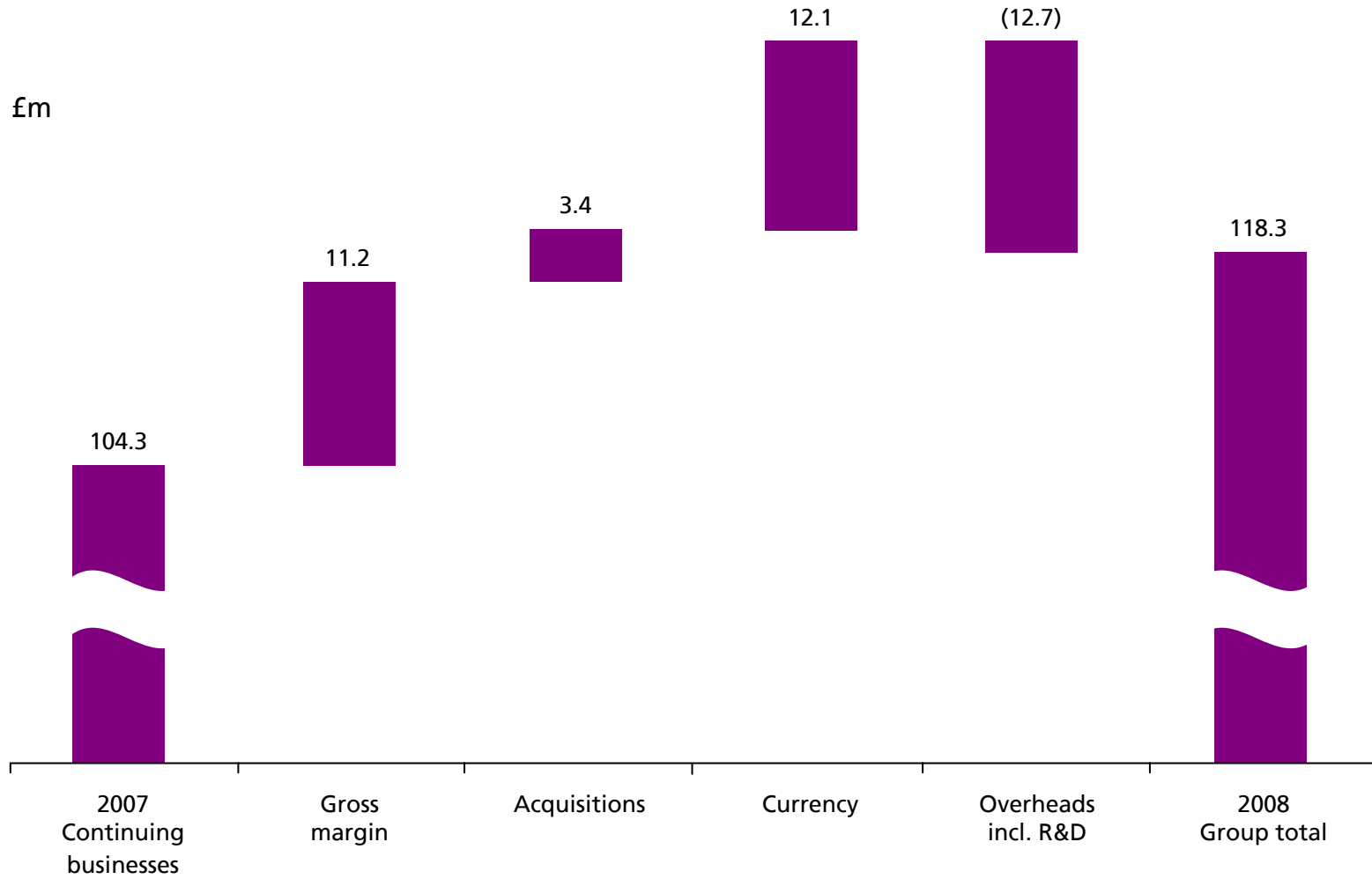
Clive Watson  
Group Finance Director

	2008	2007	Change	Change at CER**
Sales from continuing businesses (£m) #	787.1	659.8	+19%	+7%
Adjusted operating profit from continuing businesses (£m) **	118.3	104.3	+13%	+2%
Return on sales (%)	15.0%	15.8%	-0.8pp	
Adjusted operating profit (total group) (£m) *	118.3	104.8	+13%	
Adjusted profit before tax (£m) *	110.1	98.0	+12%	
Profit before tax *	106.1	118.1	-10%	
Tax rate (%)	24%	28%	-4pp	
Adjusted earnings per share (pence) *	72.8	58.1	+25%	
Dividend (pence)	23.4	21.0	+11%	
Operating cash (£m)	102.1	103.7		
Cash conversion	86%	99%		

### Notes

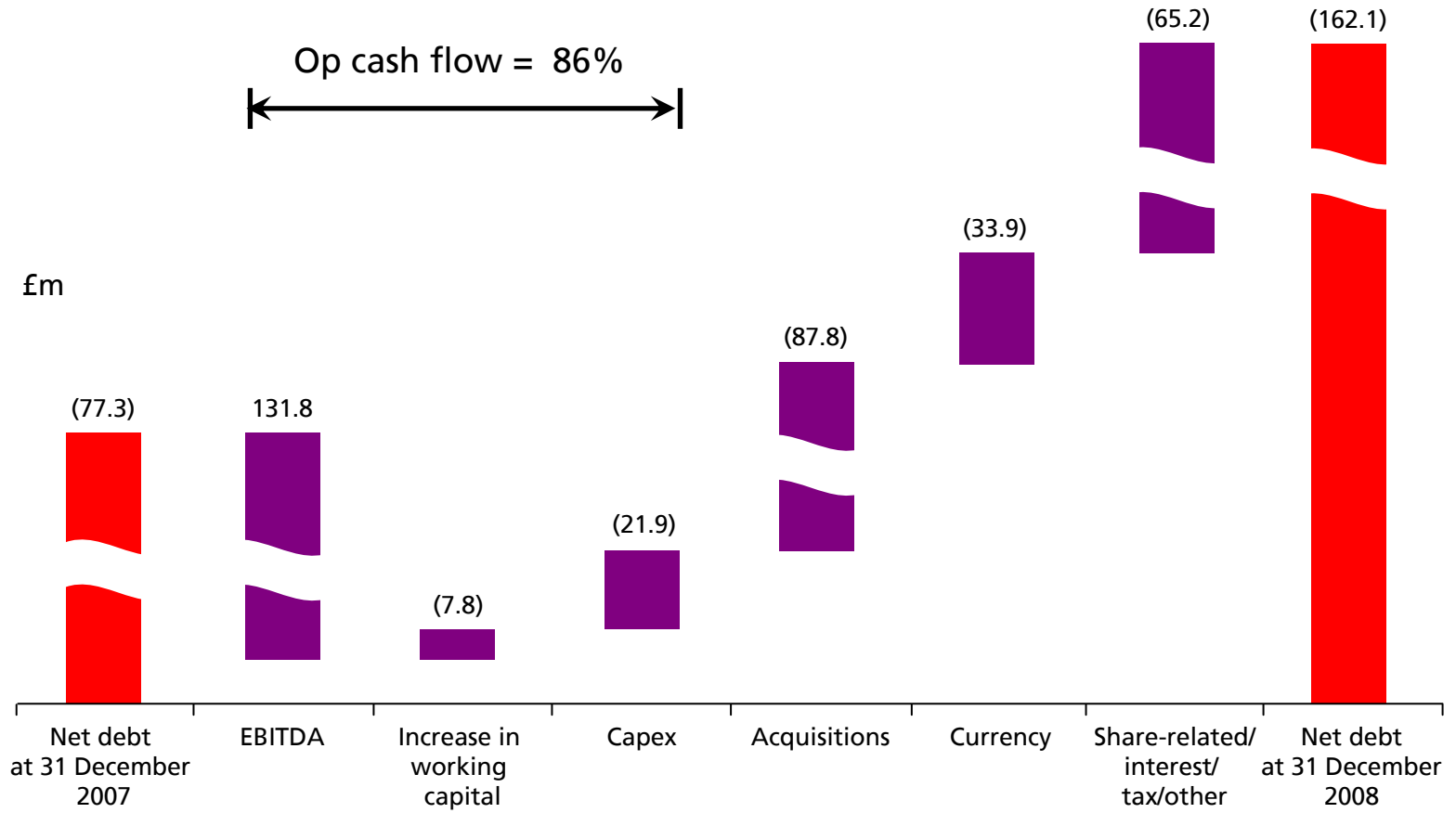
- # Continuing businesses exclude businesses divested
- \* Adjusted figures exclude certain non-operational items as defined by management
- \*\* Constant exchange rates
- \* Profit before tax in 2007 included a gain of £19m from the businesses divested





ROS 15.8%

15.0%



	Materials Analysis		Test & Measurement		In-line Instrumentation		Industrial Controls		Total	
Continuing businesses (£m)	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	<u>2007</u>	<u>2008</u>	2007	<u>2008</u>	<u>2007</u>
Sales	253.2	213.8	254.9	207.5	233.3	200.2	45.7	38.3	787.1	659.8
Sales growth at constant currencies	8%	8%	8%	5%	5%	6%	9%	6%	7%	7%
Adjusted operating profit	37.5	34.8	29.7	26.2	42.7	34.7	8.4	8.6	118.3	104.3
Return on sales	14.8%	16.3%	11.7%	12.6%	18.3%	17.3%	18.4%	22.5%	15.0%	15.8%

- Material procurement
  - Gaining momentum
- Direct labour
  - Sized for customer demand
- Other overhead costs
  - Cuts in discretionary spending
  - Operational excellence driving efficiencies
- People-related
  - Short-time working
  - Pay freezes
- Risk management
  - Cash cycle
  - Supply chain

# Business update

John O'Higgins  
Chief Executive

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

### Laboratory / Off-line

### Process / Manufacturing

#### MATERIALS ANALYSIS

#### TEST & 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  
in 2008

**32%**

**32%**

**30%**

**6%**

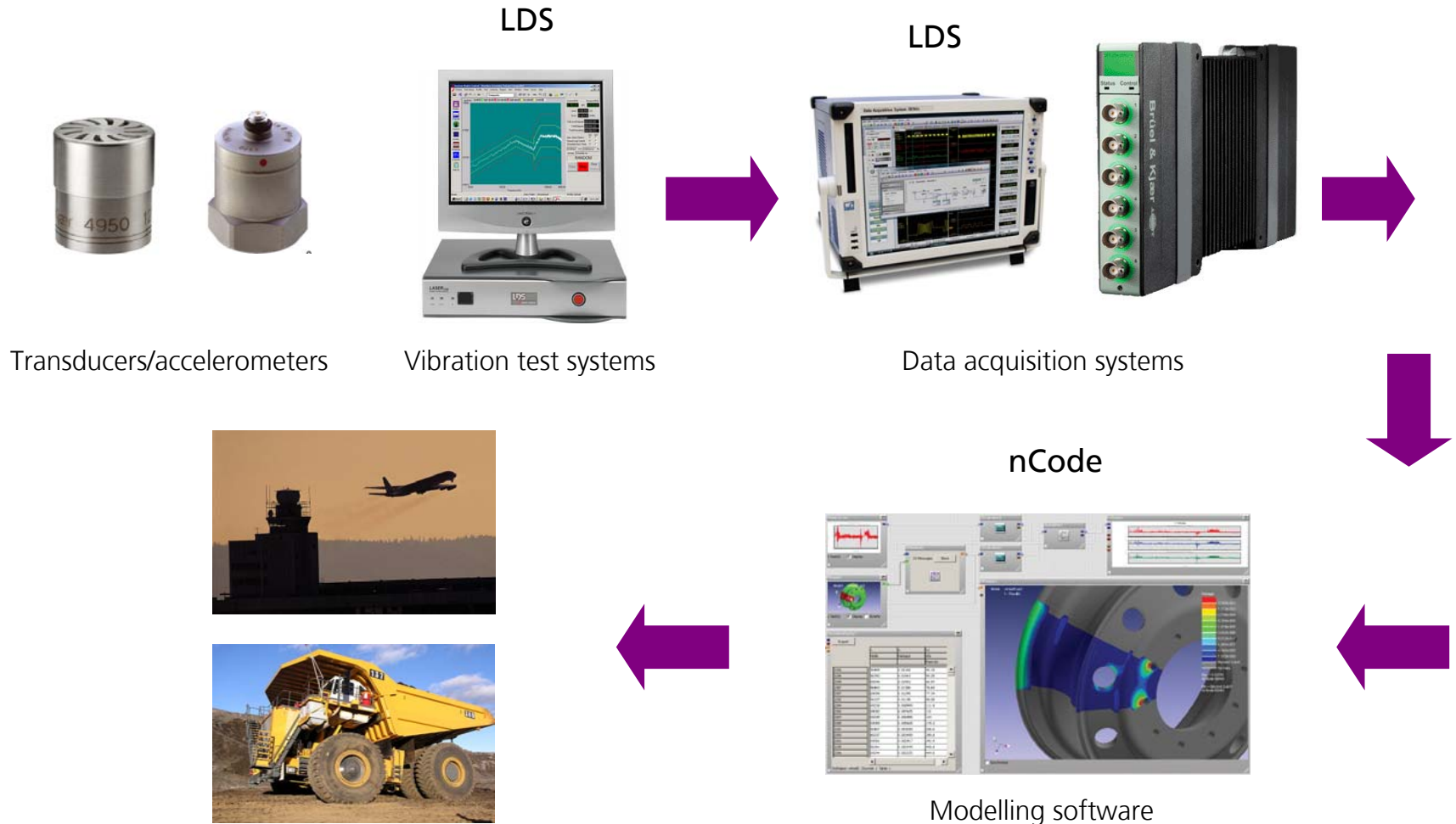
- Good demand for new products from pharmaceutical and life sciences industries, particularly for nano-particle detection and characterisation
- Metals, minerals and mining slowing, but need for efficiency and cost reductions sustains demand
- Semiconductor weakens due to reduced investment in capital equipment
- Environmental legislation boosts demand for X-ray analysis



- MiniPal4 Sulfur compact spectrometer for petrochemical analysis
- Zetasizer APS characterisation system for measuring particle size and distribution of proteins and nano-particles in drug development
- Lasair III particle contamination detection for cleanrooms in pharmaceutical and semiconductor manufacture
- Kinexus rheometer for measuring flow of materials across a range of industries

- Automotive customers focus on reducing vehicle development time and shorter testing programmes
- Key orders received for new development programmes at major commercial aircraft manufacturers
- nCode acquisition brings software simulation capabilities for fatigue and durability testing
- LDS acquisition adds vibration test systems and data acquisition products for new model development
- Capabilities in environmental noise monitoring services expanded

### Expanding our business to provide complete test systems



- Continued demand for oil & gas; strong growth in industrial gas business
- Demand for tissue products sustains pulp & paper market
- Growth returns to optical fibre market from undersea cable and “fibre-to-the-home” applications
- Good growth in Asia, Middle East and Africa
- Converting and packaging sectors reduced capital investment in H2



- Series 710e analyser for measuring coat weight and moisture in converting applications
- VibroControl 6000 safety monitoring system for predictive maintenance
- DRT 5500 Freeness Inline drainage rate transmitter for pulp and papermaking applications
- SERVOPRO MultiExact multi-gas analyser for industrial gas customers

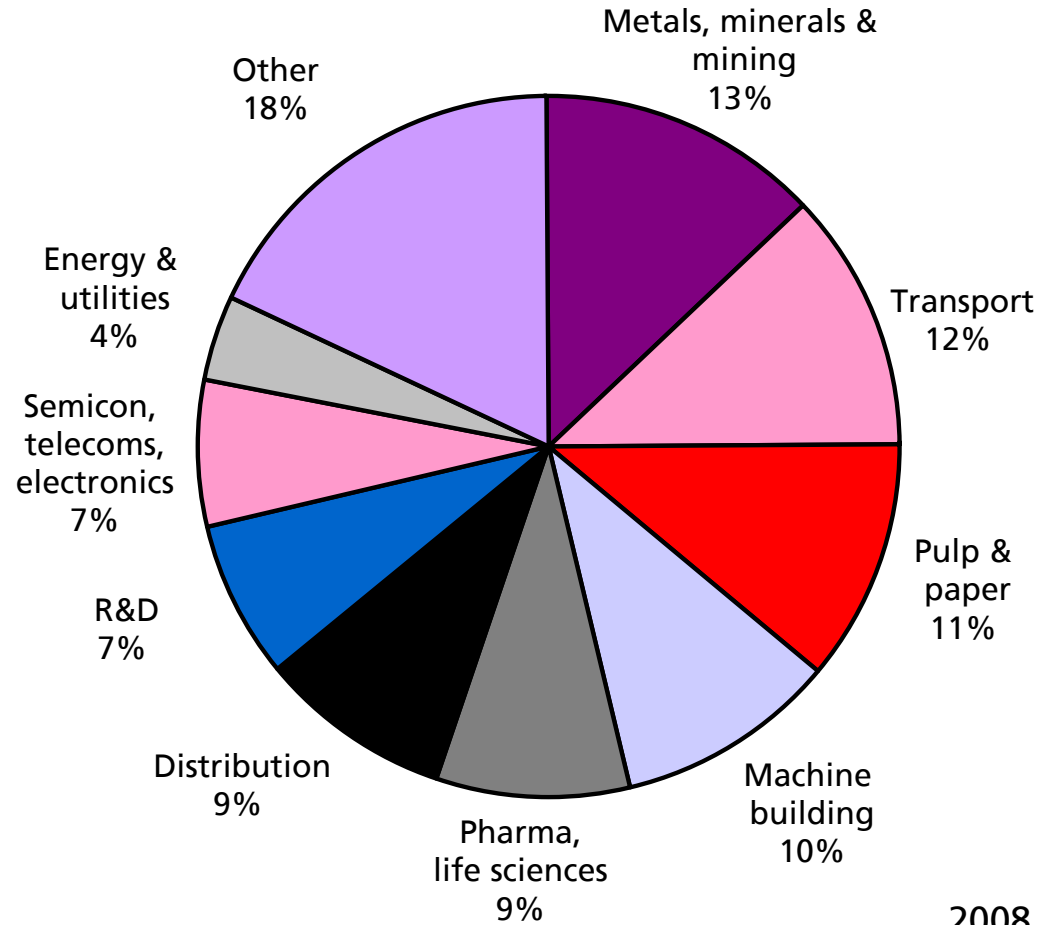
- Good demand from general manufacturing applications, but weakness in H2
- Continued growth in emerging economies
- Acquisition of Siemens' Machine Vision business expands tracking and traceability solutions
- Red Lion brand extended into adjacent control application markets



- G3 Kadet operator interface panels with touchscreen displays for process machinery
- HawkEye 1500 Series of fixed-mount bar code readers in smart camera format for electronics and pharmaceutical industry
- Universal signal conditioners with detachable LCD display/programming module
- Plant floor marquees: large multi-colour LED displays for instant information on factory floors

£m	2008	2007	Change	Change at constant currencies
Europe	332.2	283.1	+17%	+3%
Germany	108.0	84.7	+28%	+10%
North America	178.0	152.5	+17%	+8%
Asia Pacific	219.2	181.7	+21%	+8%
China	68.8	55.0	+25%	+14%
Japan	60.1	53.6	+12%	-7%
Rest of the world	<u>57.7</u>	<u>42.5</u>	+36%	+24%
Continuing businesses	787.1	659.8	+19%	+7%

*Aftersales, service and consumables represent 24%*



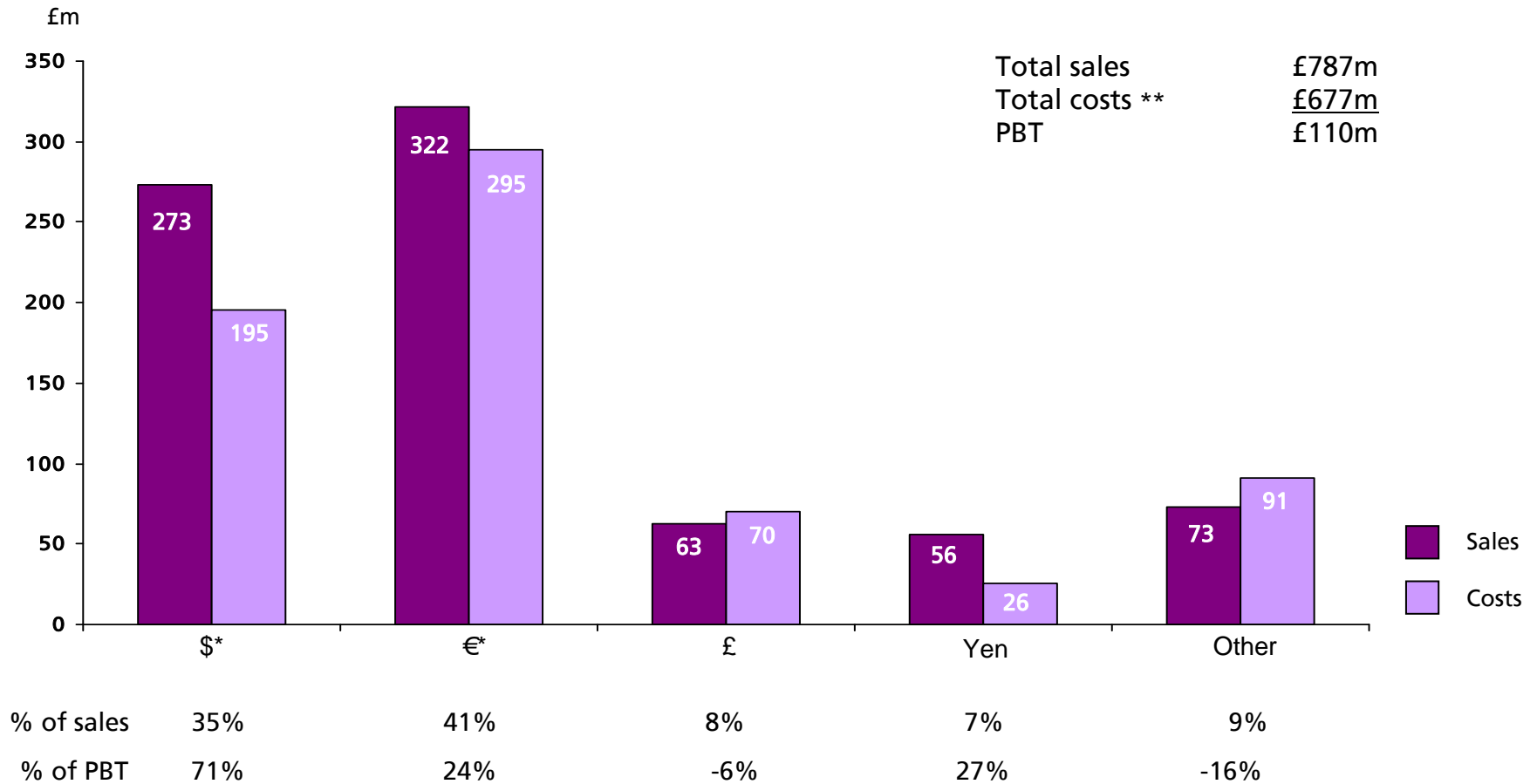
2008 Approximate sales by end user market

- Challenging market conditions and very limited visibility
- Ongoing management actions to optimise performance
- Restructuring actions impact H1/H2 profit phasing
- Breadth of end markets and geographic coverage provide some resilience
- Good financial and strategic position; well placed for recovery

## *Enhancing Productivity*



Spectris plc  
2008 preliminary results



•Dollar/euro categories include tracking currencies

\*\* Costs include interest of £3.3m in \$, £5.2m in € and income of £(0.3)m in GBP