

Spectris plc 2010 Preliminary Results

25 February 2011

John O'Higgins
Chief Executive

Clive Watson
Group Finance Director

This presentation is for distribution only to authorised persons within the meaning of the Financial Services and Markets Act 2000 (FSMA) and any relevant statutory instrument thereunder or to whom it would otherwise be lawful to distribute it. The information contained herein is not for publication, distribution or reproduction, in whole or in part, to persons in any jurisdiction in which such publication or distribution is unlawful.

The information contained in this presentation is provided purely for information purposes regarding Spectris plc. Any reliance upon the information presented is at your own risk. This announcement includes “forward-looking statements”. All statements other than statements of historical fact included in this announcement, including, without limitation, those regarding the Company’s financial position, business strategy, plans and objectives of management for future operations (including development plans and objectives relating to the Company’s products), are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company’s present and future business strategies and the environment in which the Company will operate in the future. You should not place undue reliance on forward-looking statements, which speak only as at the date of this announcement. The Company assumes no responsibility to update any of the forward-looking statements contained herein.

All reasonable care has been taken by Spectris plc to ensure that the information contained in the presentation is accurate as of the date on which it was released. However neither Spectris, its directors, employees, agents, nor its affiliated companies makes any warranty nor assumes legal responsibility for the reliability, accuracy or completeness, or fitness for purpose of any of the information.

The information shall not constitute or be deemed to constitute any offer or invitation to invest in or otherwise deal in shares or other securities of Spectris plc.

All information in the presentation is the property of Spectris plc.

Spectris disclaims all warranties (whether express or implied) and excludes all losses or damages whatsoever whether arising in contract, tort, equity or otherwise to the fullest extent permitted by law including in particular but not limited to the Sale and Supply of Goods and Services Act.

These terms and conditions shall be governed by and construed in accordance with English Law and the exclusive jurisdiction of the English courts.

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

- Much faster recovery in performance achieved than after previous downturns
- Strong sales and profits growth in all four business segments, particularly in emerging markets
- Acquisitions strengthen Materials Analysis, In-line Instrumentation and Industrial Controls segments
- Robust conversion of operating profit to cash at 112%
- Net debt down by £38 million to £86 million; 0.5X EBITDA
- Dividend up by 15%

Financial Performance

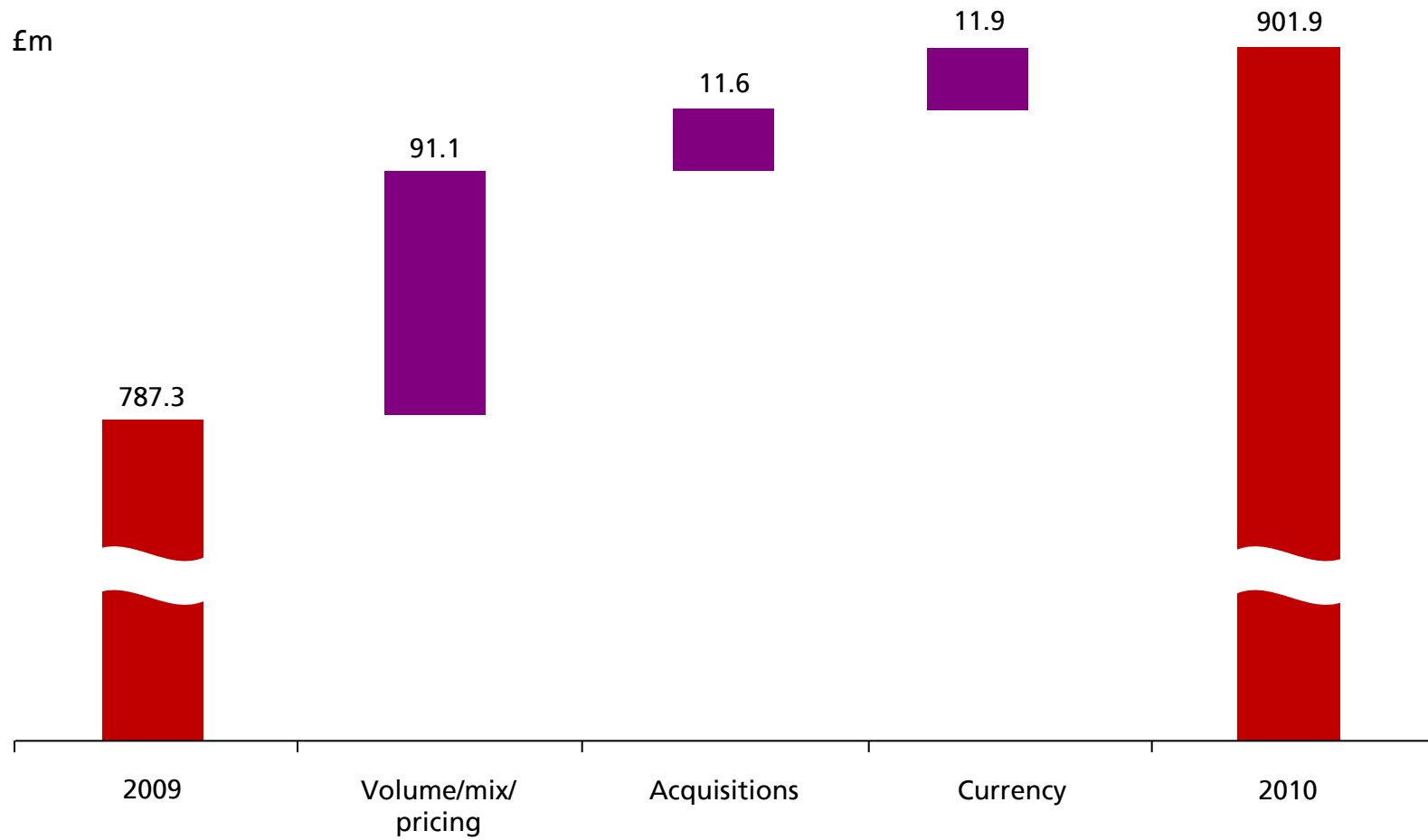
Clive Watson
Group Finance Director

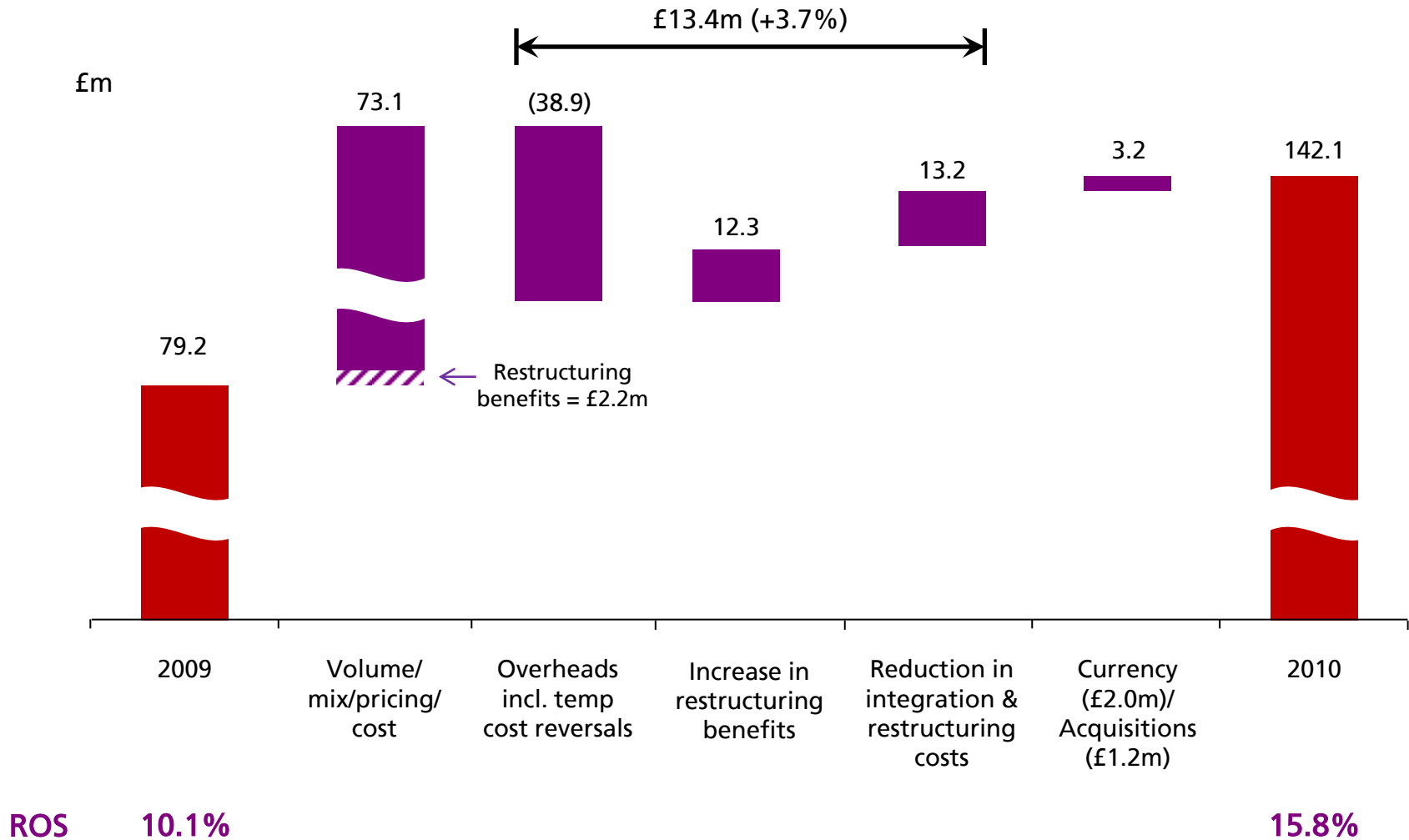
	2010	2009	Change	Change at CER**	Organic change at CER***
Sales (£m)	901.9	787.3	+14.6%	+13.1%	+11.6%
Adjusted operating profit (£m) *	142.1	79.2	+79%	+77%	+75%
Return on sales (%)	15.8%	10.1%	+5.7pp		
Adjusted profit before tax (£m) *	132.3	68.2	+94%		
Adjusted tax rate (%)	24.2%	23.2%	+1.0pp		
Adjusted earnings per share (pence) *	86.6	45.4	+91%		
Dividend (pence)	28.0	24.25	+15%		
Operating cash (£m)	159.8	105.5	+51%		
Cash conversion	112%	133%	-21pp		

Notes

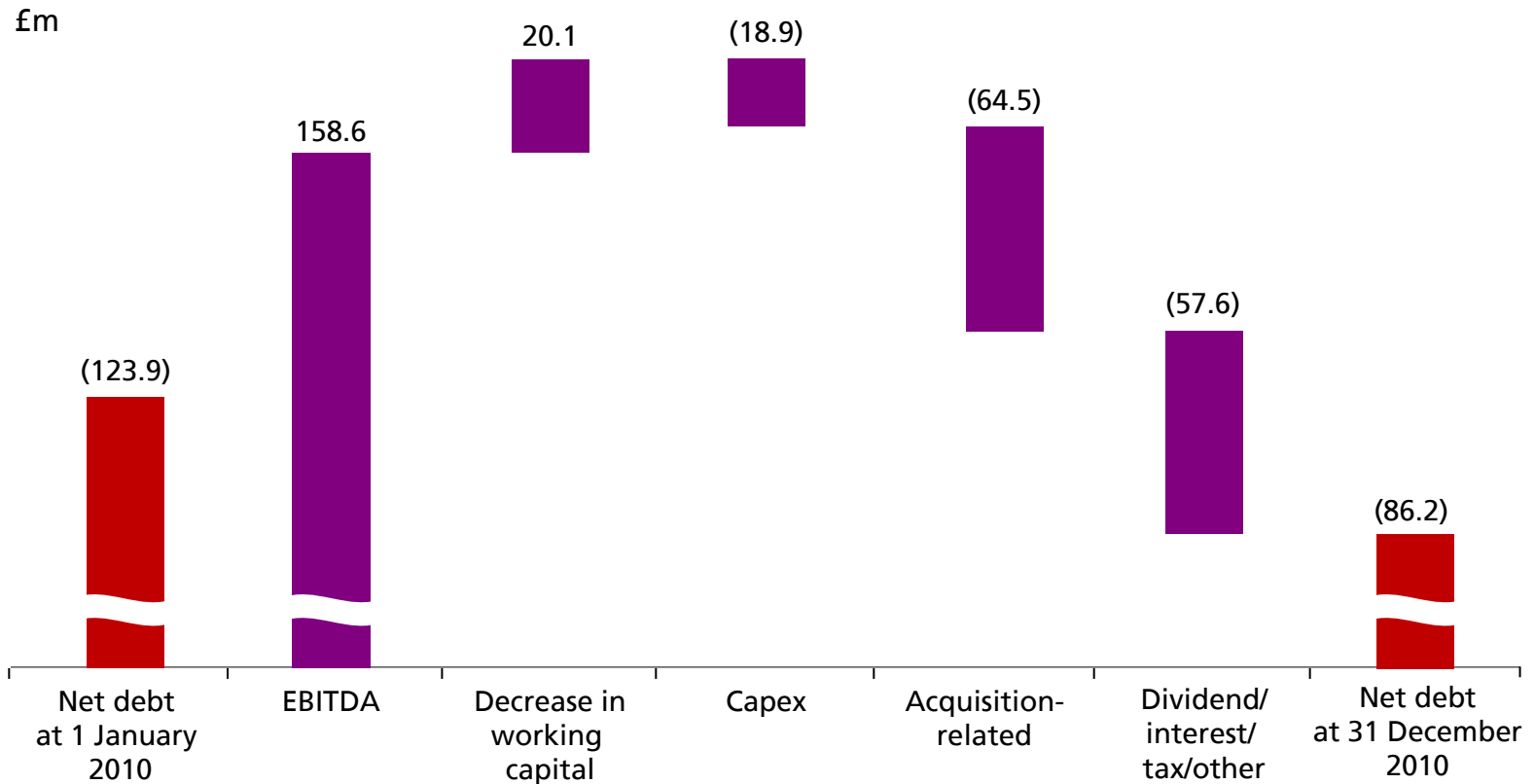
* Adjusted figures exclude certain non-operational items and include restructuring costs of £14.0m in 2009 and £0.8m in 2010

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





Operating cash flow = £159.8m (2009: £105.5m)



	Materials Analysis		Test and Measurement		In-line Instrumentation		Industrial Controls		Total	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Sales (£m)	271.6	248.1	297.4	267.1	273.1	227.5	59.8	44.6	901.9	787.3
Organic sales growth/(decline) at constant currencies (%)	5%	(13%)	11%	(22%)	17%	(13%)	24%	(22%)	12%	(16%)
Adjusted operating profit before restructuring (£m)	39.6	34.2	35.2	11.1	58.5	42.4	9.6	5.5	142.9	93.2
Restructuring (£m)	0.1	2.3	0.4	9.7	0.2	0.9	0.1	1.1	0.8	14.0
Adjusted operating profit (£m)	39.5	31.9	34.8	1.4	58.3	41.5	9.5	4.4	142.1	79.2
Return on sales (%)	14.5%	12.9%	11.7%	0.5%	21.3%	18.2%	15.9%	9.9%	15.8%	10.1%

- Rapidity of recovery, varying by segment
- Return to more normal sales growth in 2011

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 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
2010 **30%**

33%

30%

7%

- Strong growth in pharmaceutical and life sciences markets
- Some softening in academic R&D markets
- H2 recovery in metals and mining
- Success of new products launched
- 3 bolt-on acquisitions: Reologica (Sweden), Omec (China), Sysmex (Japan)



Sales
+9% ↑

Profit
+24% ↑

ROS
+1.6pp ↑

- Major improvement in 2010 as automotive customers reinstate development budgets
- Strong profit contribution arising from 2009 restructuring actions and good cost control
- Good demand from aerospace market
- Good growth regionally, especially in Asia (+27%)
- Key account wins



Sales
+11% ↑

Profit
+£33m ↑

ROS
+11.2pp ↑

- Good growth and record profitability throughout the segment
- Growth in all major regions and markets
- Pulp and paper performance remains strong with further growth in tissue applications and China expansion projects
- Strong growth in converting and plastics industries
- Acquisition of Delta F, a US supplier of specialist gas analysers



Sales
+20% ↑

Profit
+41% ↑

ROS
+3.1pp ↑

- General manufacturing and electronics sectors return to growth
- Good growth in all major regions
- New products strengthen market positions
- N-Tron acquisition gives foothold in industrial networking applications



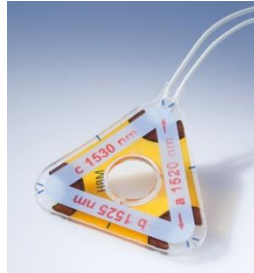
Sales
+34% ↑

Profit
+119% ↑

ROS
+6.0pp ↑



VS-1 machine vision inspection system



K-OR optical strain gauge



Delta F gas analyser



Empyrean X-ray diffraction platform



N-Tron Ethernet switch for process control



BioLaz real-time microbial monitor for cleanrooms



OptiMike non-contact measuring gauge



Noise Sentinel noise monitoring service

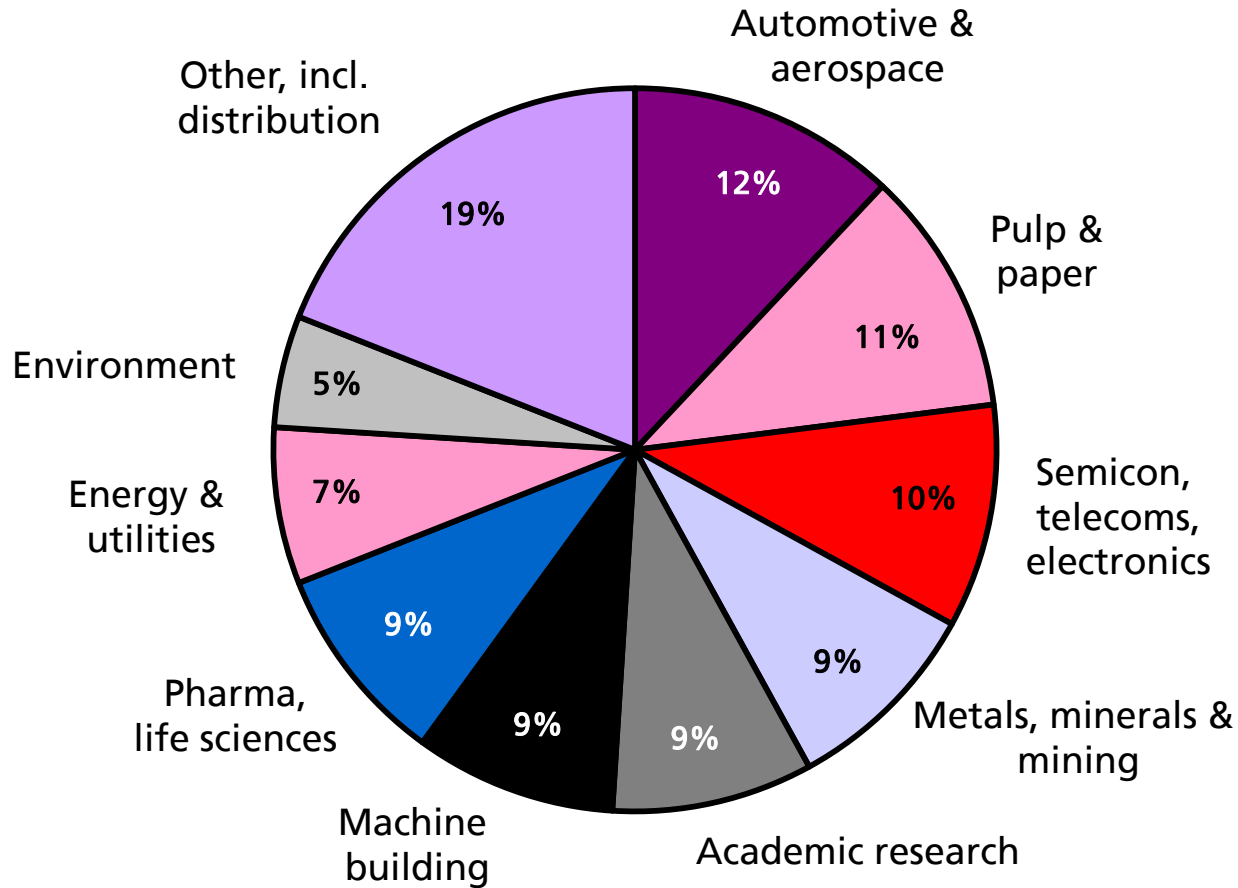


VDAU-6000 condition monitoring and analysis system

£m	2010	% of group sales	2009	% of group sales	Change	Change at CER	Organic change at CER
Europe	325.2	36%	321.5	41%	+1%	+3%	+2%
Germany	104.5	12%	98.4	12%	+6%	+9%	+9%
North America	227.3	25%	181.3	23%	+25%	+23%	+21%
Asia Pacific	286.9	32%	227.8	29%	+26%	+21%	+18%
China	111.2	12%	87.8	11%	+27%	+24%	+21%
Japan	73.2	8%	50.8	6%	+44%	+34%	+31%
Rest of the world	<u>62.5</u>	7%	<u>56.7</u>	7%	+10%	+8%	+8%
Group total	901.9		787.3		+15%	+13%	+12%

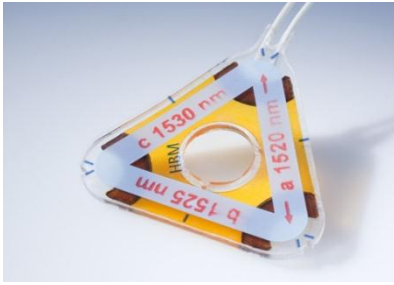
Aftersales, service and consumables represent 29% (2009: 28%*)

* Restated from 27%



2010 Approximate sales by end user market

- Much faster recovery achieved than after previous downturns
- Asia and US recovery; Europe still below 2008 levels (on a like-for-like basis)
- Acquisitions build on our strategic growth areas
- Good strategic position and financial flexibility
- Well placed to make further progress in 2011



Spectris plc 2010 Preliminary Results

Q & A