

**Spectris plc**  
**2010 interim results**  
**24 August 2010**

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

- Strong demand in H1: sales and profits up in all 4 segments
- Strategies for new products and emerging markets delivering results
- Gross margins improved by 1.9pp to 57.9%; return on sales up 6.9pp to 12.3%
- Operating cash flow conversion strong at 133%
- Net debt down by £31 million to £93 million
- Dividend increased by 11% to 7.1p

# Financial performance

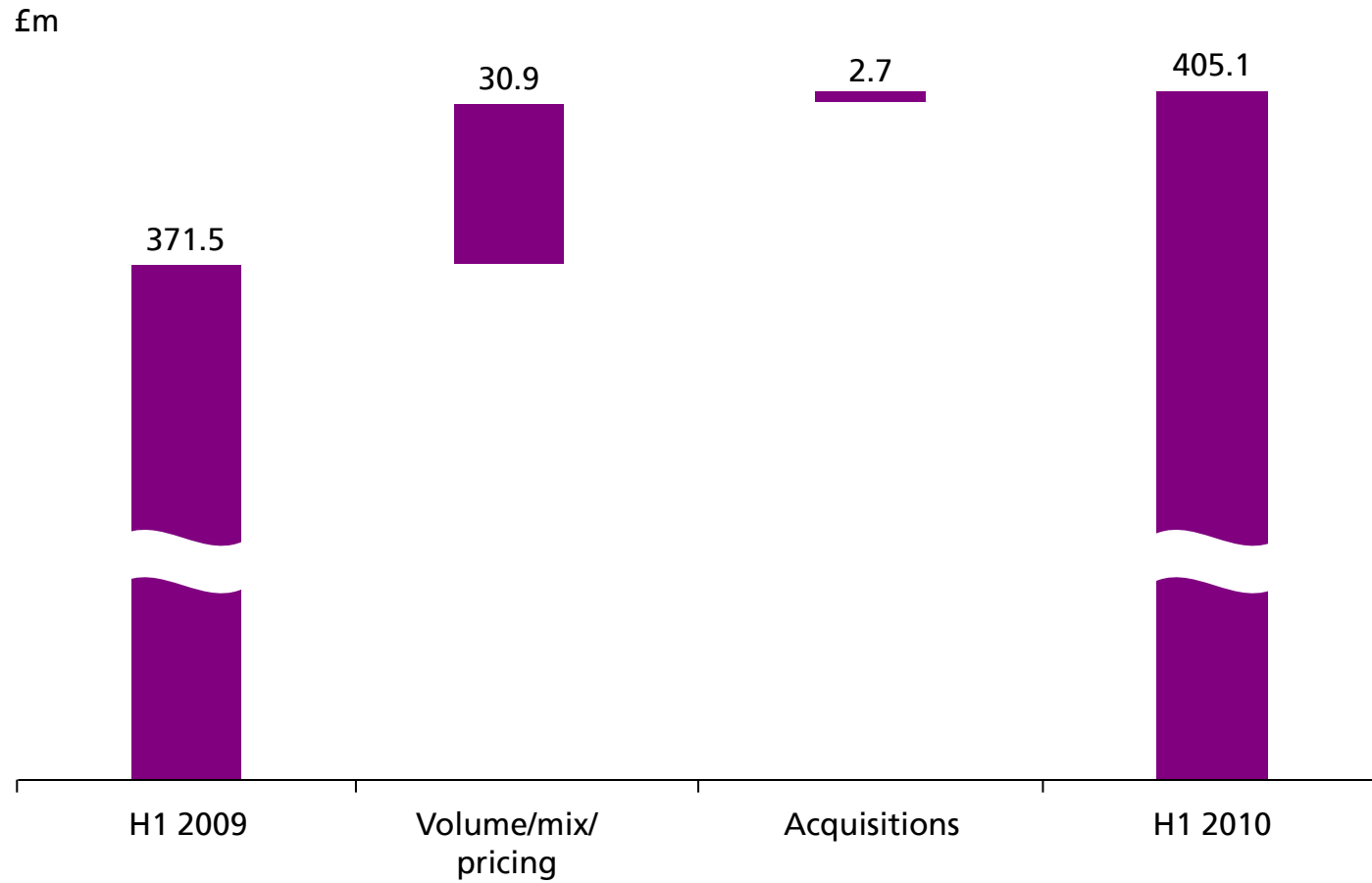
Clive Watson  
Group Finance Director

	H1 2010	H1 2009	Change	Change at CER**
Sales (£m)	405.1	371.5	+9%	+9%
Adjusted operating profit (£m) *	49.9	20.0	+150%	+149%
Return on sales (%)	12.3%	5.4%	+6.9pp	
Adjusted profit before tax (£m) *	44.7	14.3	+213%	
Profit before tax	40.3	8.6	+369%	
Tax rate (%)	24%	24%	—	
Adjusted earnings per share (pence) *	29.4	9.4	+213%	
Dividend (pence)	7.1	6.4	+11%	
Operating cash flow (£m)	66.3	32.8	+102%	
Cash conversion	133%	164%	-31pp	

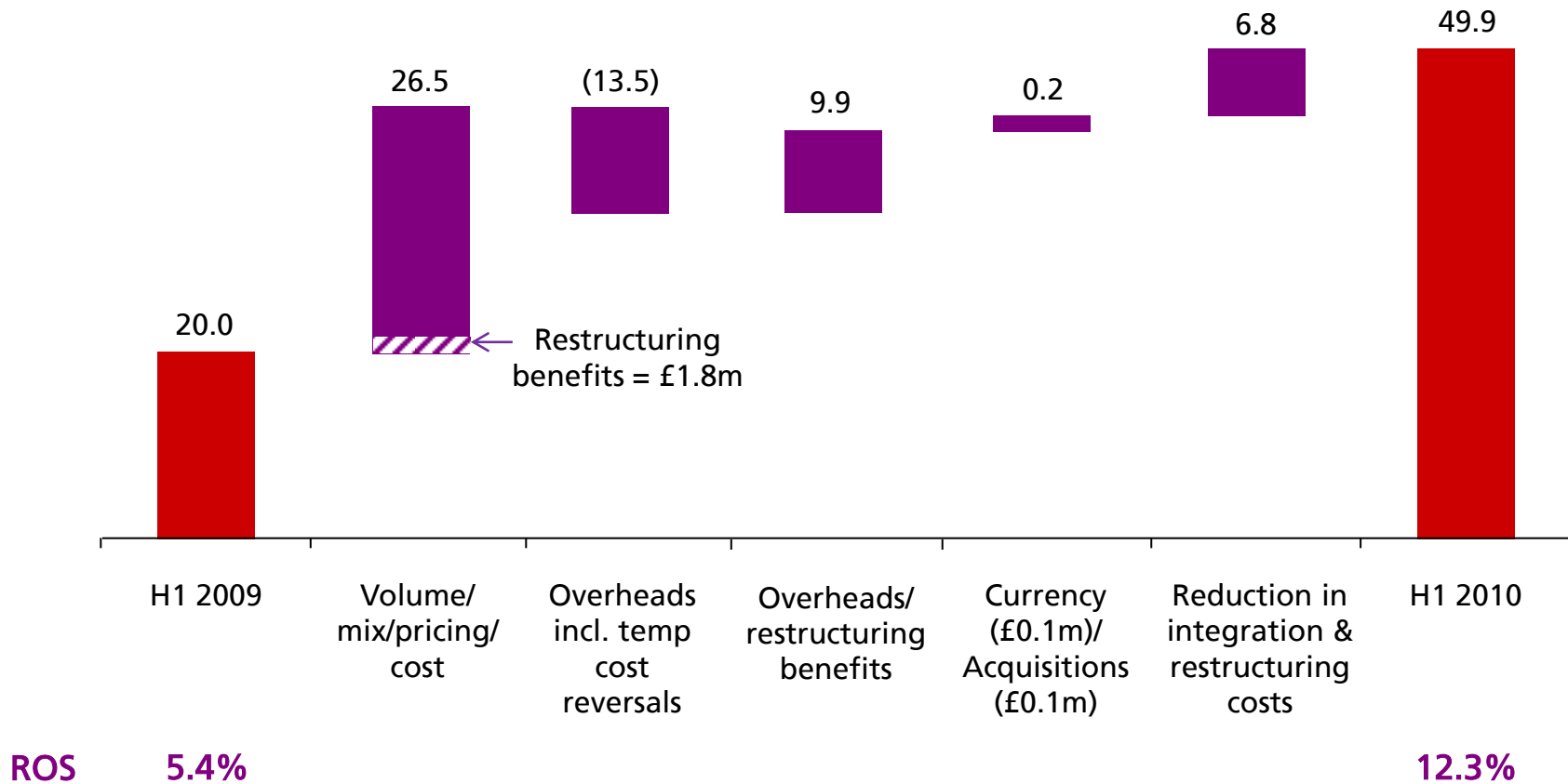
### Notes

\* Unless otherwise stated, all profit and earnings figures in this presentation are adjusted measures. Adjusted figures exclude certain non-operational items as described in Note 2 to the interim financial statements

\*\* Constant exchange rates

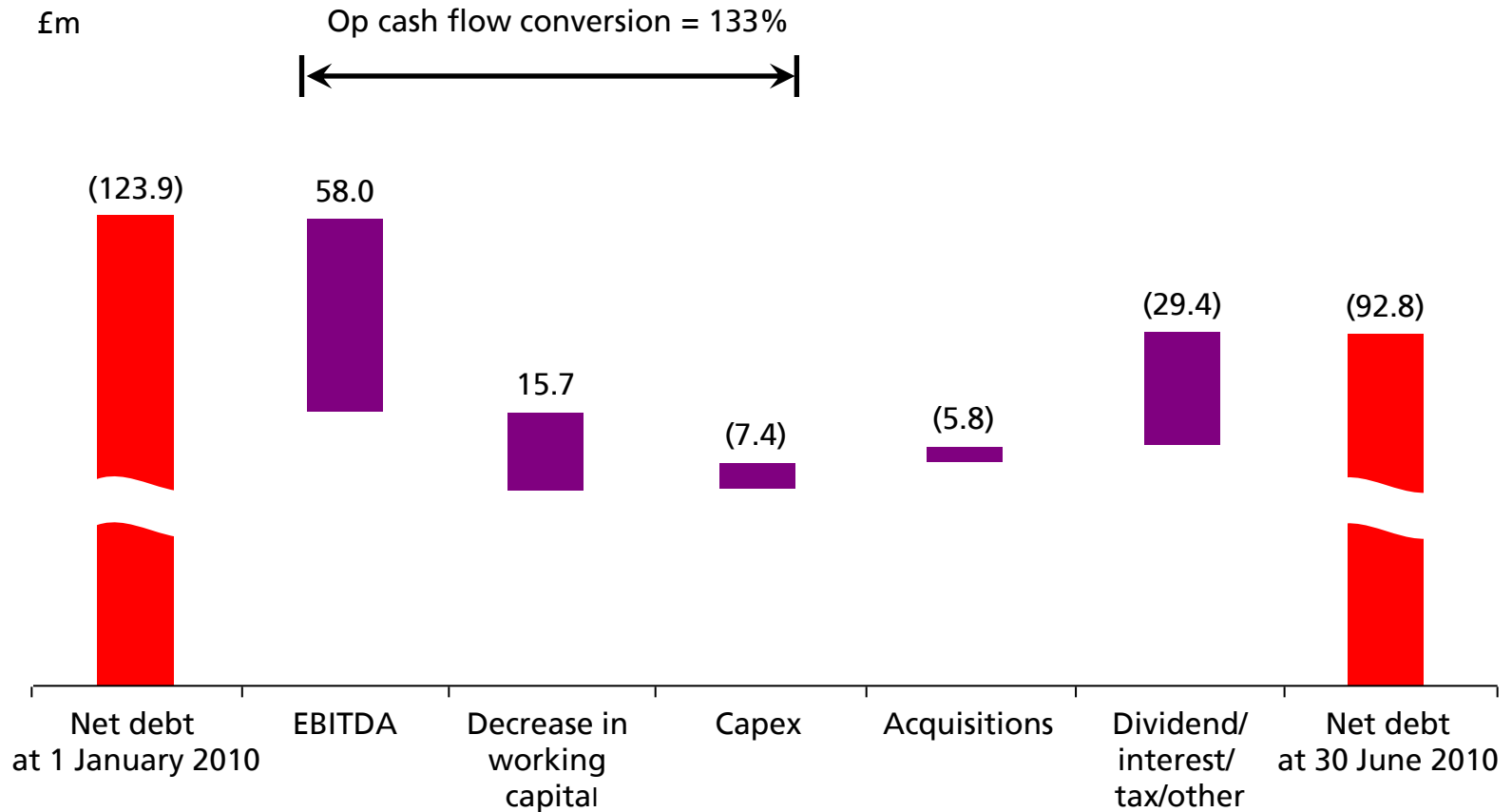


£m



£m	Cost 2009	Benefits 2009	Benefits 2010		Y-o-Y benefits		
			Original Estimate	Latest estimate	GM	O/head	Total
H1	7.0	3.5	15.5	15.2	1.8	9.9	11.7
H2	7.0	11.5	15.5	14.2	0.4	2.3	2.7
Full Year	14.0	15.0	31.0	29.4	2.2	12.2	14.4

- Restructuring on track, in line with original plan
- Reduction in benefits attributable to timing differences (£1m) and FX (£0.6m)
- Cost increases, including temporary cost reversals, amount to £13.5m, in line with expectations



	Materials Analysis		Test and Measurement		In-line Instrumentation		Industrial Controls		Total	
	<u>H1 10</u>	<u>H1 09</u>	<u>H1 10</u>	<u>H1 09</u>	<u>H1 10</u>	<u>H1 09</u>	<u>H1 10</u>	<u>H1 09</u>	<u>H1 10</u>	<u>H1 09</u>
Sales (£m)	<b>119.3</b>	116.1	<b>131.3</b>	126.1	<b>126.9</b>	107.4	<b>27.6</b>	21.9	<b>405.1</b>	371.5
Organic sales growth/(decline) at constant currencies (%)	<b>0.4%</b>	(16%)	<b>4%</b>	(26%)	<b>18%</b>	(18%)	<b>29%</b>	(28%)	<b>8%</b>	(20%)
Adjusted operating profit before restructuring (£m)	<b>13.9</b>	11.5	<b>8.2</b>	(2.2)	<b>23.9</b>	16.0	<b>4.1</b>	1.7	<b>50.1</b>	27.0
Restructuring (£m)	-	(1.4)	-	(4.0)	<b>(0.2)</b>	(0.5)	-	(1.1)	<b>(0.2)</b>	(7.0)
Adjusted operating profit (£m)	<b>13.9</b>	10.1	<b>8.2</b>	(6.2)	<b>23.7</b>	15.5	<b>4.1</b>	0.6	<b>49.9</b>	20.0
Return on sales (%)	<b>11.7%</b>	8.7%	<b>6.3%</b>	(4.9%)	<b>18.7%</b>	14.4%	<b>14.9%</b>	2.7%	<b>12.3%</b>	5.4%
Service & consumables (%)	<b>33%</b>	30%	<b>16%</b>	18%	<b>44%</b>	41%	Negligible*		<b>29%</b>	28%

\* A high proportion of revenues in this segment depend on customer maintenance budgets

# 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  
H1 2010 **30%**

**32%**

**31%**

**7%**

- Activity in metals, minerals and mining slowly recovering; infrastructure investment sustains demand
- Academic sector resilient, although some softening expected
- Good demand from pharmaceuticals and life sciences, particularly in emerging markets
- Growth in demand for flat panel displays and mobile devices brings recovery to semicon/electronics sector
- Acquisitions and strategic alliances extend capabilities in this segment

	H1 2009				H1 2010	v H1 2009
		Organic	FX	Acquisitions		Reported
Sales (£m)	116.1	0.4	0.7	2.1	<b>119.3</b>	+2.8%
Operating profit (£m)	10.1	3.7	0.1	-	<b>13.9</b>	+37.6%
Return on sales	8.7%				<b>11.7%</b>	+3.0pp
ROS pre-restructuring	9.9%				<b>11.7%</b>	+1.8pp

- Automotive sector showing signs of recovery, notably in Asia, with focus on emissions and alternative fuels
- Good demand for commercial aerospace projects, particularly in China
- Environmental noise monitoring business performing well; first joint noise and flight tracking systems implemented
- Increasing demand for applications in other sectors such as power, electronics, rail

	H1 2009				H1 2010	v H1 2009
		Organic	FX	Acquisitions		Reported
Sales (£m)	126.1	5.1	(0.5)	0.6	<b>131.3</b>	+4.1%
Operating profit (£m)	(6.2)	14.6	(0.3)	0.1	<b>8.2</b>	+232.3%
Return on sales	(4.9%)				<b>6.3%</b>	+11.2pp
ROS pre-restructuring	(1.7%)				<b>6.3%</b>	+8.0pp

- Increasing economic recovery benefits this segment, led by Asia and US
- Continued demand from tissue market and recovery in coated papers
- Projects in converting industry resuming and new capacity added
- Significant growth in consumer electronics market, particularly for flat panel displays
- Service and consumables now comprise 44% of sales

	H1 2009				H1 2010	v H1 2009
		Organic	FX	Acquisitions		Reported
Sales (£m)	107.4	19.1	0.4	-	<b>126.9</b>	+18.2%
Operating profit (£m)	15.5	7.8	0.4	-	<b>23.7</b>	+52.9%
Return on sales	14.4%				<b>18.7%</b>	+4.3pp
ROS pre-restructuring	14.9%				<b>18.8%</b>	+3.9pp

- Electronics and general manufacturing sectors return to growth
- Good demand for track, trace and control applications in industrial markets
- Increased activity in industrial controls and machine building markets, particularly in China and India
- Good success for private label HMIs

	H1 2009				H1 2010	v H1 2009
		Organic	FX	Acquisitions		Reported
Sales (£m)	21.9	6.3	(0.6)	-	<b>27.6</b>	+26.0%
Operating profit (£m)	0.6	3.6	(0.1)	-	<b>4.1</b>	+583.3%
Return on sales	2.7%				<b>14.9%</b>	+12.2pp
ROS pre-restructuring	7.8%				<b>14.9%</b>	+7.1pp



Empyrean X-Ray  
Diffraction platform



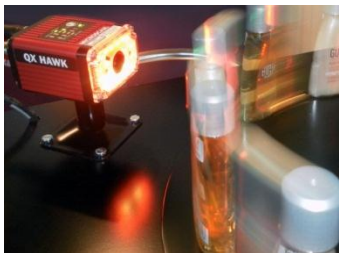
CenterScan  
eccentricity gauge



UltraChem 40  
liquid particle counter



Infralab e-series at-line  
food analyser



QX Hawk imager



LAN-XI 12-channel  
module sound &  
vibration analyser



SERVOTOUGH Ecoflue  
gas analyser



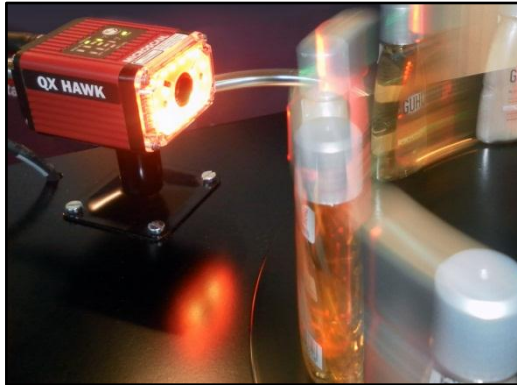
GEN2i portable  
data recorder

£m	H1 2010	% of group sales	H1 2009	% of group sales	Change	Change at CER
Europe	<b>149.2</b>	37%	155.5	42%	-4%	-3%
Germany	<b>46.3</b>	11%	47.8	13%	-3%	-1%
North America	<b>98.8</b>	24%	88.1	24%	+12%	+14%
Asia Pacific	<b>129.6</b>	32%	103.0	28%	+26%	+23%
China	<b>48.0</b>	12%	40.3	11%	+19%	+19%
Japan	<b>33.5</b>	8%	23.8	6%	+41%	+37%
Rest of the world	<u><b>27.5</b></u>	7%	<u>24.9</u>	6%	<u>+10%</u>	<u>+8%</u>
Group total	<b>405.1</b>		371.5		+9%	+9%

*Aftersales, service and consumables represent 29%  
(28% for H1 2009)*

- Strategies for new products and emerging markets delivering results
- Restructuring and integration actions improve operational leverage
- Service and consumables continue to grow as % of revenue
- Strong financial and strategic position gives flexibility

- Encouraging start to 2010 as markets recover and new products deliver top-line growth
- Recovery in most key industries expected to continue in H2
- However, macro-economic outlook remains uncertain
- Expect to continue to make good progress in near term and deliver results for the full year in line with the Board's expectations



**Spectris plc**  
**2010 interim results**

	Average rates				Spot rates	
	FY09	H109	H110		Dec 09	Jun 10
\$/£	1.57	1.49	1.52		1.61	1.50
€/£	1.12	1.12	1.15		1.13	1.22
Yen/£	147	143	139		150	133