



## Spectris plc 2011 Preliminary Results

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

- Record sales and operating profit in all segments
- Operating margins grew by 2.4pp to 18.2%
- Strong growth in all key regions
- Healthy cash conversion of 89%
- Important acquisitions closed during the year provide additional growth and resilience
- Dividend up by 20%

# Financial Performance

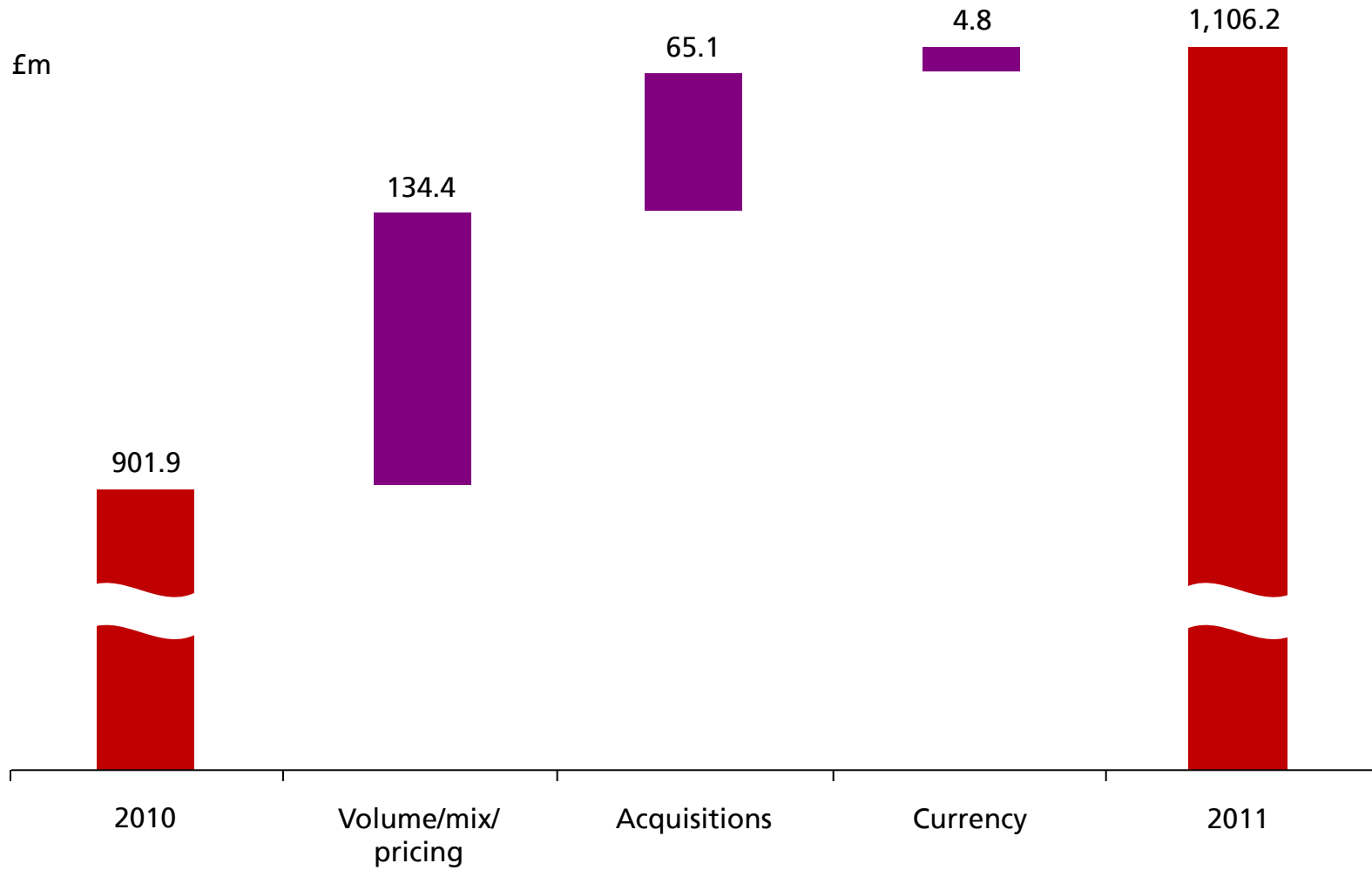
Clive Watson  
Group Finance Director

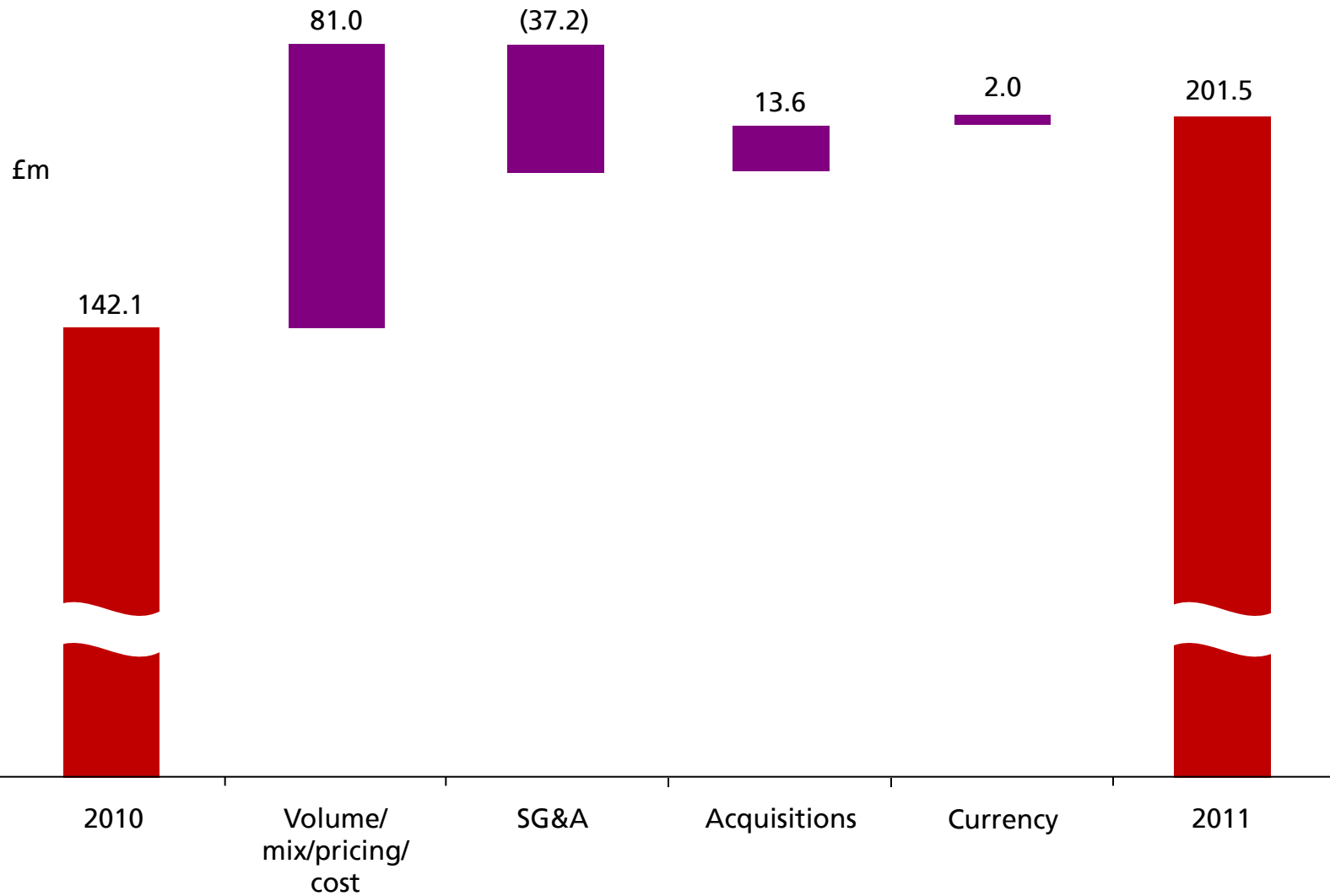
	2011	2010	Change	Change at CER**	Organic change at CER***
Sales (£m)	1,106.2	901.9	+23%	+22%	+15%
Adjusted operating profit (£m) *	201.5	142.1	+42%	+40%	+31%
Adjusted return on sales (%) *	18.2	15.8	+2.4pp		
Adjusted profit before tax (£m) *	191.6	132.3	+45%		
Adjusted tax rate (%) *	24.8	24.2	+0.6pp		
Adjusted earnings per share (pence) *	124.1	86.6	+43%		
Dividend (pence)	33.6	28.0	+20%		
Operating cash (£m)	179.1	159.8	+12%		
Cash conversion (%) *	89	112	-23pp		

### Notes

\* Adjusted figures exclude certain non-operational items

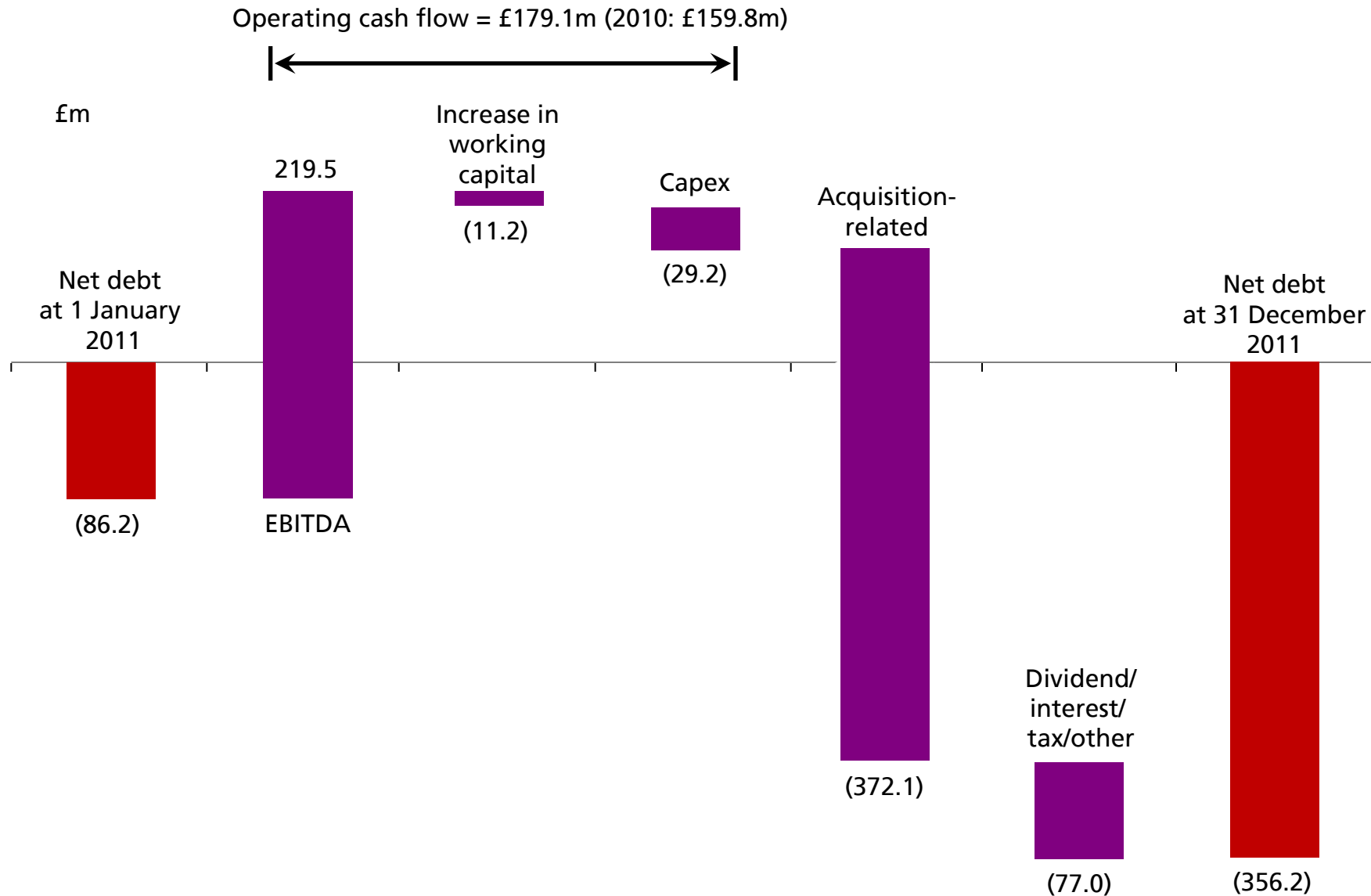
\*\* At constant exchange rates \*\*\* At constant exchange rates excluding acquisitions





ROS 15.8%

18.2%



	Materials Analysis		Test and Measurement		In-line Instrumentation		Industrial Controls		Total	
	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>	<u>2011</u>	<u>2010</u>
Sales (£m)	<b>337.5</b>	271.6	<b>346.9</b>	297.4	<b>308.9</b>	273.1	<b>112.9</b>	59.8	<b>1,106.2</b>	901.9
Organic sales growth at constant currencies (%)	<b>21%</b>	5%	<b>16%</b>	11%	<b>8%</b>	17%	<b>18%</b>	24%	<b>15%</b>	12%
Adjusted operating profit (£m)	<b>60.9</b>	39.5	<b>54.7</b>	34.8	<b>63.8</b>	58.3	<b>22.1</b>	9.5	<b>201.5</b>	142.1
Return on sales (%)	<b>18.1%</b>	14.5%	<b>15.8%</b>	11.7%	<b>20.6%</b>	21.3%	<b>19.6%</b>	15.9%	<b>18.2%</b>	15.8%

# 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

Mining/metals  
Pharma/fine chemicals  
Academic/research institutes

Automotive  
Aerospace  
Consumer electronics  
Environmental

Process industries  
Energy/utilities  
Pulp & paper  
Converting/web/packaging

Mfg controls/  
networking  
Distributors  
Machine building



% group sales 2011 **31%**

**31%**

**28%**

**10%**

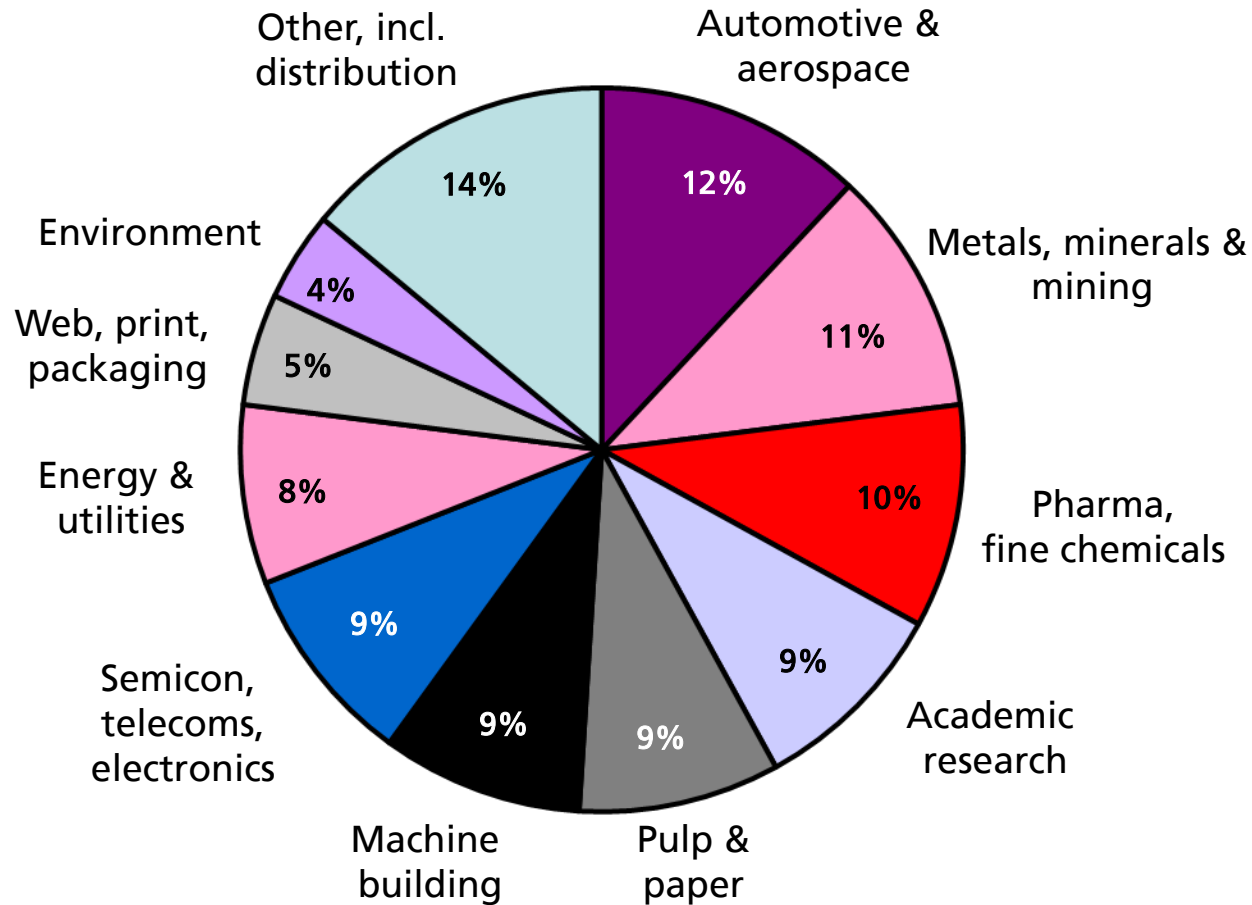
% group sales pro-forma 2011\* **28%**

**29%**

**25%**

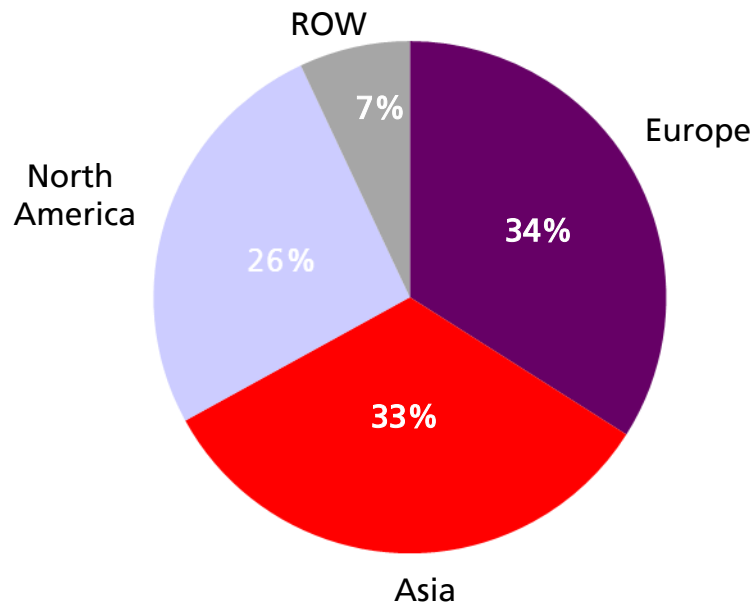
**18%**

\* Represents impact of acquisitions occurring on the first day of the year



2011 Approximate sales by end user market

2011 Reported sales as % of total group sales



	£m	2011	Change vs 2010	Organic change at CER
Europe		<b>380.5</b>	+17%	+13%
Germany		<b>121.5</b>	+16%	+13%
North America		<b>288.7</b>	+27%	+14%
Asia Pacific		<b>361.5</b>	+26%	+17%
China		<b>149.3</b>	+34%	+27%
Japan		<b>87.9</b>	+20%	+4%
Rest of the world		<b>75.5</b>	+21%	+19%
Group total		<b><u>1,106.2</u></b>	+23%	+15%

**Aftersales, service and consumables represent 26% of group sales**

- Strong recovery in metals and mining
- Demand from pharmaceutical market driven by new drug research and regulatory enforcement
- Academic/R&D markets strong, helped by initiatives in emerging markets to invest in academic leadership
- New facility opened for X-ray tube manufacture



	2010				2011	v 2010
		Organic	FX	Acq.		Reported
Sales (£m)	271.6	56.1	1.2	8.6	<b>337.5</b>	+24%
Op. profit (£m)	39.5	20.5	(0.1)	1.0	<b>60.9</b>	+54%
ROS	14.5%				<b>18.1%</b>	+3.6pp

- Good demand from automotive market; new projects wins for noise analysis and torque measurement
- New aerospace projects for structural testing of materials in China and vibration testing for satellites in Brazil
- Successful expansion of noise monitoring services into new applications
- Good progress in other markets, eg consumer electronics, power



	2010				2011	v 2010
		Organic	FX	Acq.		Reported
Sales (£m)	297.4	46.6	2.9	-	<b>346.9</b>	+17%
Op. profit (£m)	34.8	19.5	0.4	-	<b>54.7</b>	+57%
ROS	11.7%				<b>15.8%</b>	+4.1pp

- Energy & utilities projects include chemical plant, hydro and wind power installations
- Continued success in tissue applications offsetting decline in traditional coated papers
- Strong demand for web, film and packaging solutions
- Investments in optical fibre and telecoms cable continue, especially in emerging markets



	2010				2011	v 2010
		Organic	FX	Acq.		Reported
Sales (£m)	273.1	21.1	3.6	11.1	<b>308.9</b>	+13%
Op. profit (£m)	58.3	0.9	2.3	2.3	<b>63.8</b>	+9%
ROS	21.3%				<b>20.6%</b>	-0.7pp

- Strategic acquisitions contribute to good growth in sales
- Integration actions delivering results, eg. productivity improvements, and sales ahead of expectations
- Strong demand for track, trace and control applications for product traceability
- Automation products finding new applications in process industries



	2010				2011	v 2010
		Organic	FX	Acq.		Reported
Sales (£m)	59.8	10.6	(2.9)	45.4	112.9	+89%
Op. profit (£m)	9.5	2.9	(0.6)	10.3	22.1	+132%
ROS	15.9%				19.6%	+3.7pp

- 2 acquisitions in H2 2011: Omega & Sixnet
- Omega:
  - President appointed and management team strengthened
  - Actions to expand presence in Europe and China (website; local management) should deliver benefits in 2012
  - Expanding product portfolio, including potential for other Spectris group products
  - Productivity improvements established
  - Management information/financial systems implementation during 2012
- Sixnet:
  - Marketing team unified and branding and positioning defined
  - Integration of Red Lion, N-Tron and Sixnet sales structures on track

### Materials Analysis



Mastersizer 3000 particle size analyser



Neutron cross-belt analyser

### Test and Measurement



PULSE 16 software with exterior sound simulator



espressoDAQ data acquisition system

### In-line Instrumentation



Metal thickness gauging system



Consistency and ash content analyser for pulp and paper

### Industrial Controls



Omega Wi-Fi sensors



ProductVity Station data display

- Strong performance in 2011; progress on all aspects of strategy
- Continued investment in new products and applications
- Acquisitions provide opportunities for growth and resilience
- Macro-economic outlook uncertain, but Spectris strategically well positioned for year ahead