

# Half Year Results Announcement to September 30<sup>th</sup> 2009

Jonathan Flint – Chief Executive  
Kevin Boyd - Group Finance Director

November 17th 2009

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## Half-Year Overview

- Order intake £133.9m
- Revenues unchanged at £92.8m
- Trading Profit up to £4.1m
- Operating cash flow increased by £7.9m
- Adjusted EPS up to 4.1 pence
- Interim Dividend unchanged at 2.4 pence

## Progress against plan

- Management actions protected margins
- Growth in profits
- Increased efficiencies across the Group
- Well positioned to meet targets as markets improve

## Highlights – Our Markets

- Order intake reached record levels
- Research markets remain buoyant
- Modest recovery in industrial markets in second quarter
- Continuing programme of product introductions taking market share
- Pricing levels maintained through competitive advantage

## Highlights - ITER

- £40 million order to supply 67 tonnes of superconducting wire to the ITER project
- Deliveries phased over 3 years commencing first half 2010



## Highlights – Business Efficiency

- Continued focus on cash generation
- Efficiency and productivity measures in place
- First half cost reduction of £5.3m



## Structure

Oxford Instruments plc

Nanotechnology Tools



Industrial Products

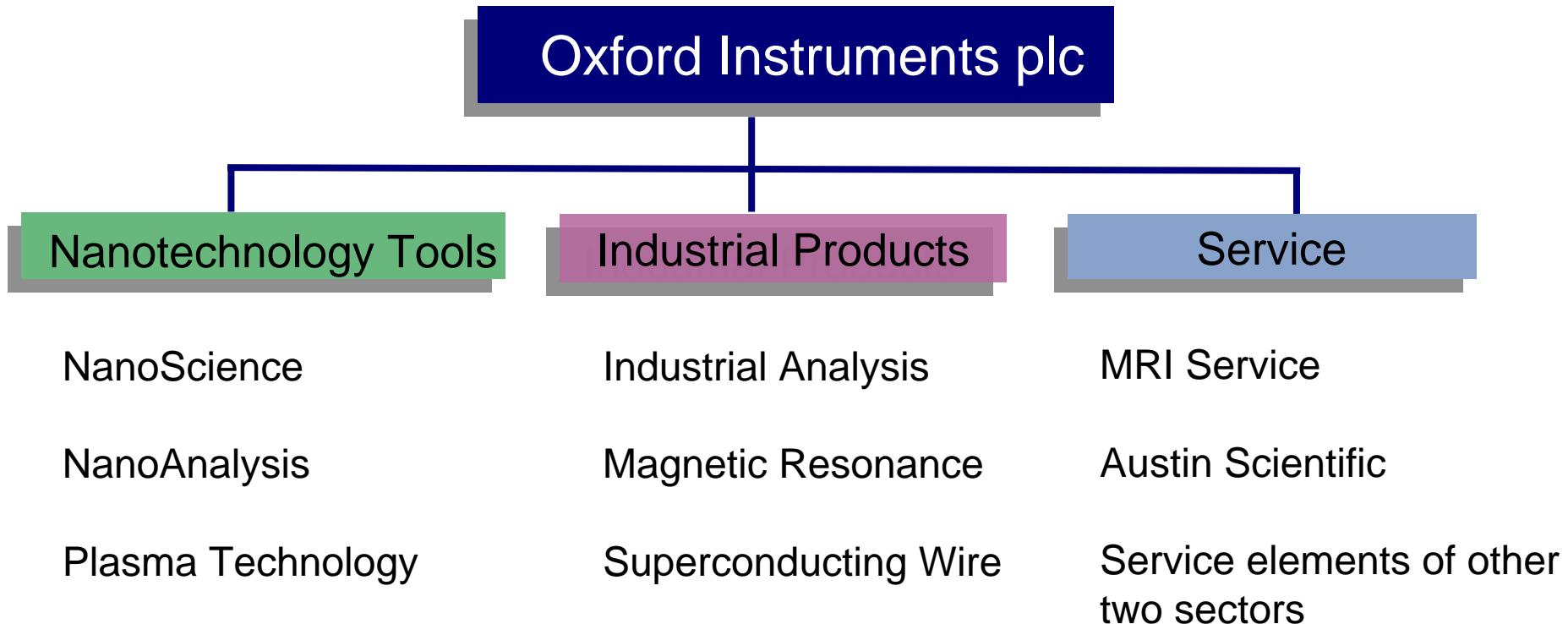


Service





## Structure



# Financial Review

Kevin Boyd  
Group Finance Director

## Financial Highlights

	2009/10 £m	2008/09 £m
Orders	133.9	97.5
<b>Revenues</b>	<b>92.8</b>	<b>92.8</b>
Gross profit	39.1	38.2
<b>Trading profit</b>	<b>4.1</b>	<b>3.5</b>
Finance costs	(1.3)	(0.9)
<b>Adjusted profit before tax</b>	<b>2.8</b>	<b>2.6</b>
Amortisation of acquired intangibles	(2.2)	(2.0)
"Exceptionals"	(0.4)	2.0
Mark to Market	5.5	(1.3)
<b>Profit /(loss) before tax</b>	<b>5.7</b>	<b>1.3</b>
Tax	(1.6)	0.0
Earnings	4.1	1.3
<b>Adjusted EPS (pence)</b>	<b>4.1</b>	<b>3.4</b>
EPS (pence)	8.3	2.6

### Growth

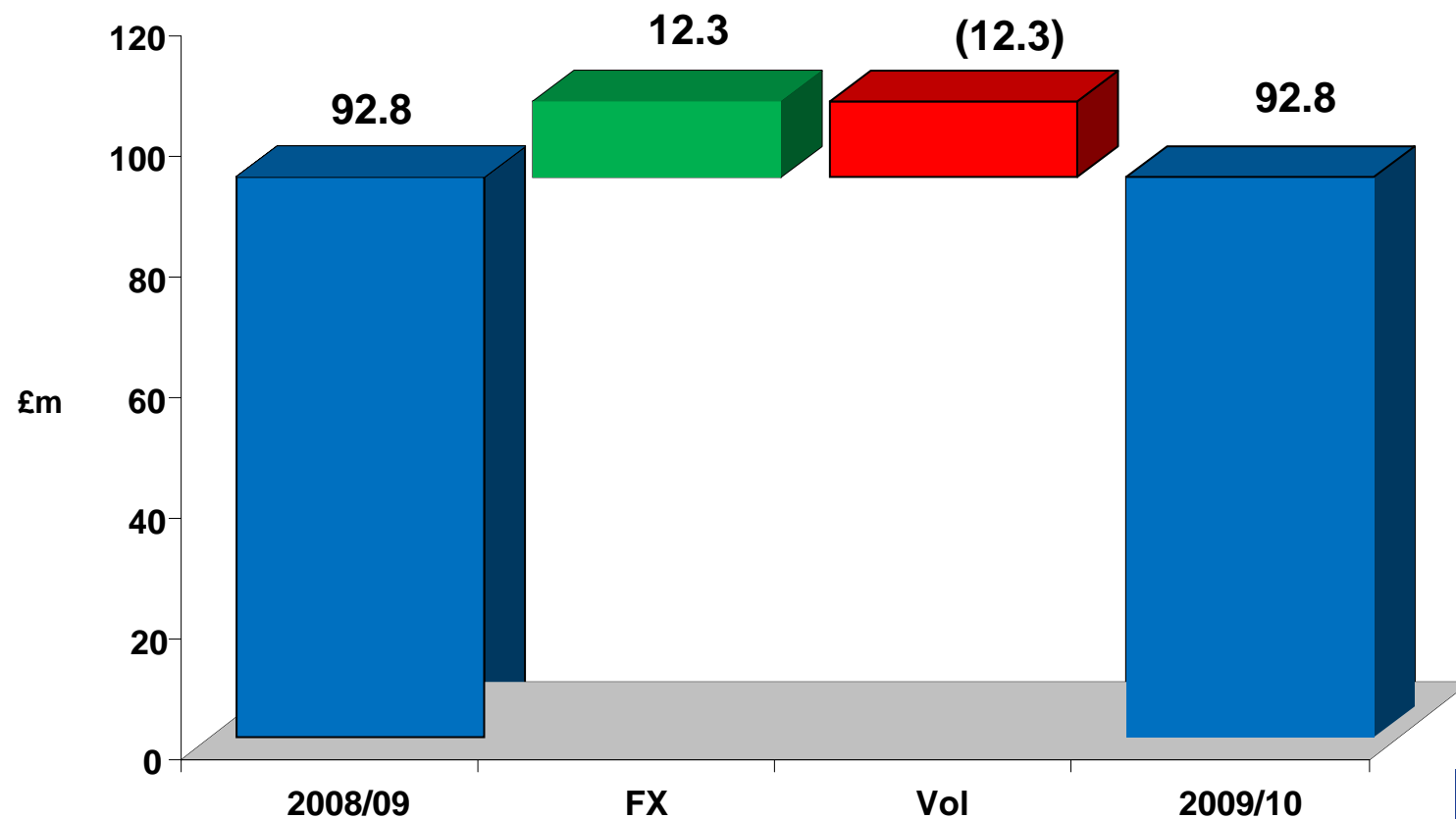
Orders	37%
Sales	0%
Profit	17%

	09/10	08/09
GM%	42.1%	41.2%
TM%	4.4%	3.8%
TM% ex hedging	7.4%	4.8%

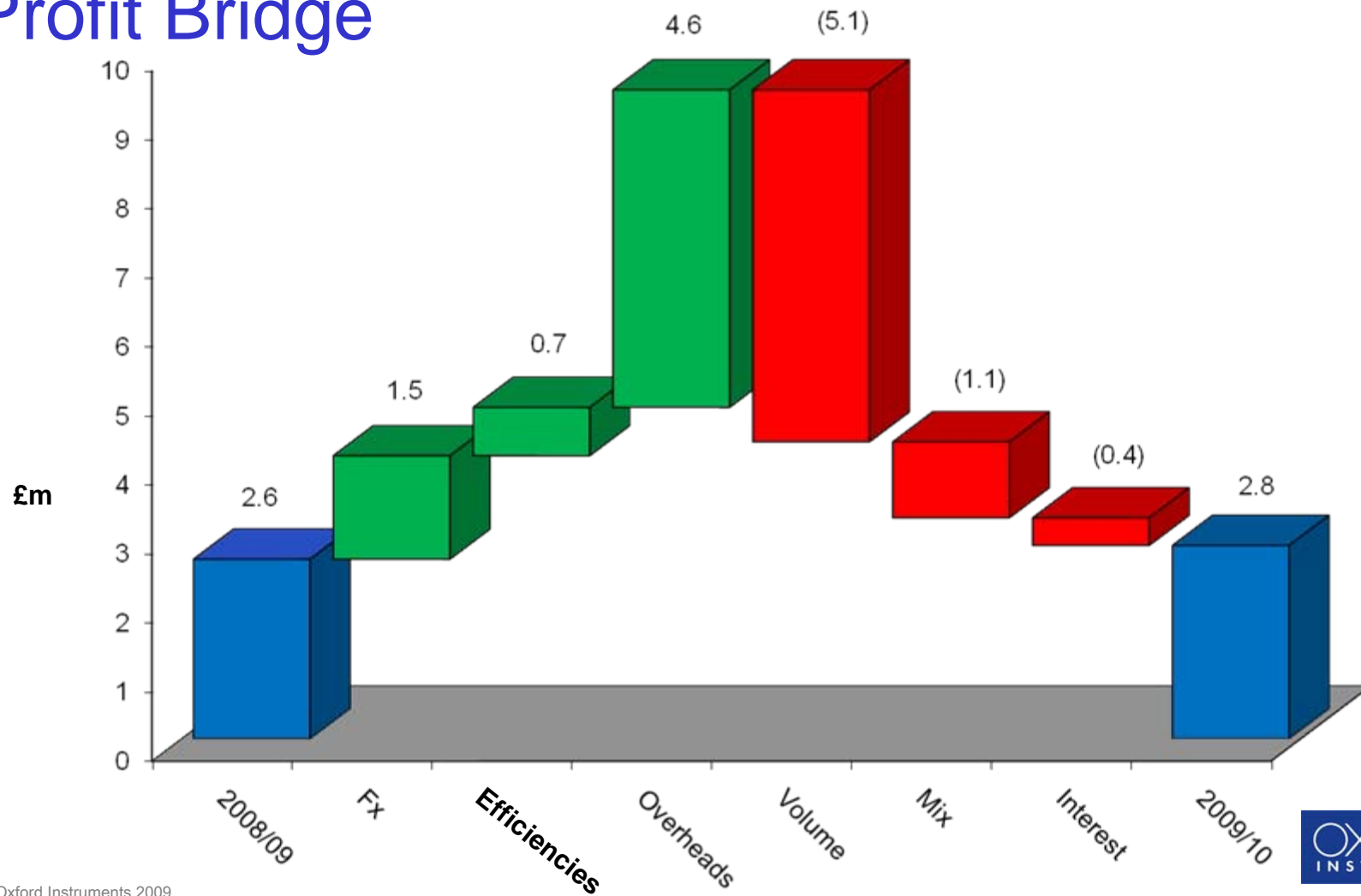
## Segment Performance

	Nanotechnology Tools		Industrial Products		Service		Total	
	H1 09/10 £m	H1 08/09 £m	H1 09/10 £m	H1 08/09 £m	H1 09/10 £m	H1 08/09 £m	H1 09/10 £m	H1 08/09 £m
External revenue	43.3	39.7	30.8	35.8	18.7	17.3	92.8	92.8
Inter-segment revenue	0.2	0.2	0.1	0.2		0.1		
Sector revenue	43.5	39.9	30.9	36.0	18.7	17.4	92.8	92.8
Trading profit/(loss)	2.1	2.2	(0.7)	(1.1)	2.7	2.4	4.1	3.5
Return on sales	4.8%	5.5%	-2.3%	-3.1%	14.4%	13.8%	4.4%	3.8%

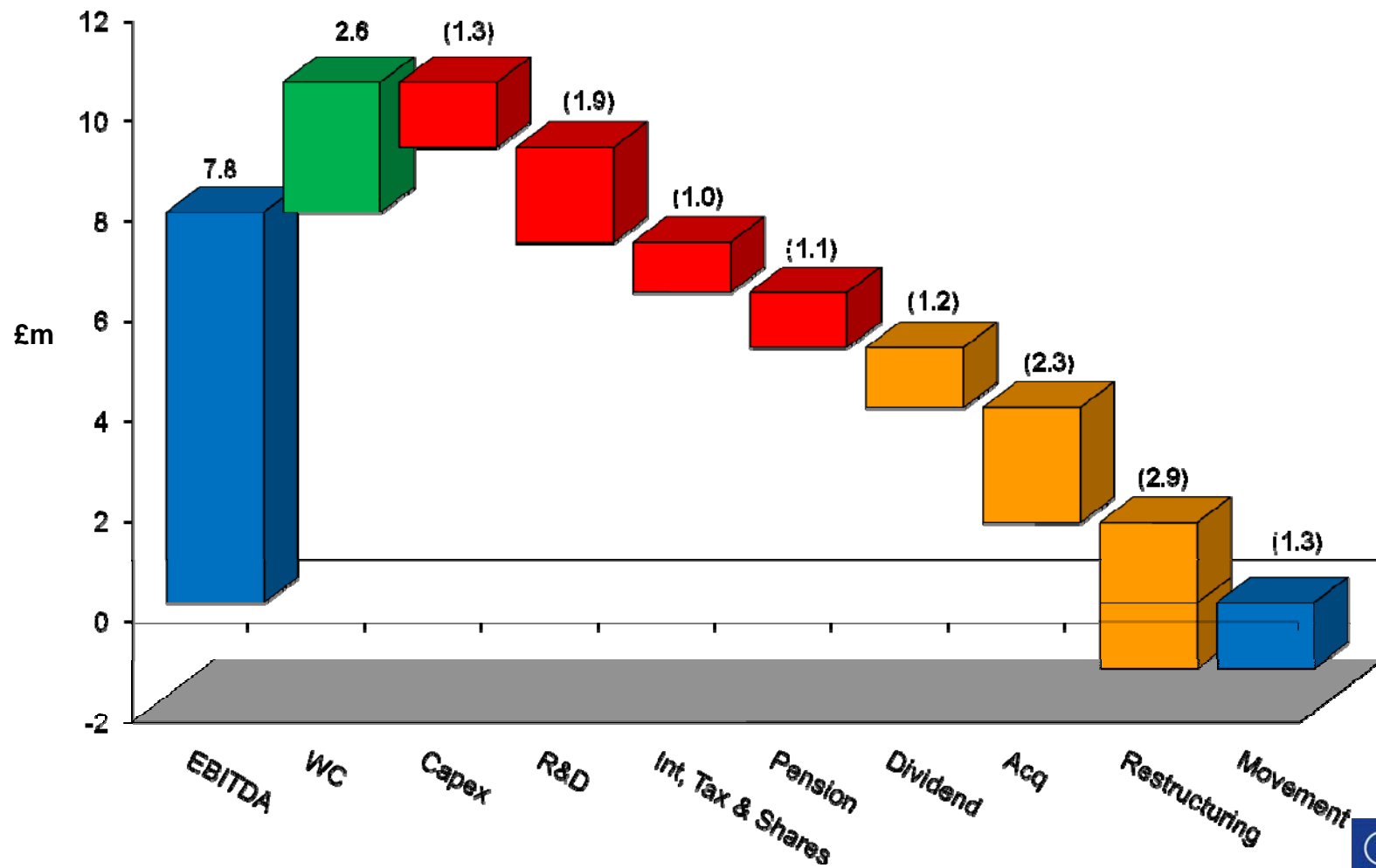
## Sales Bridge



## Profit Bridge



## Cash

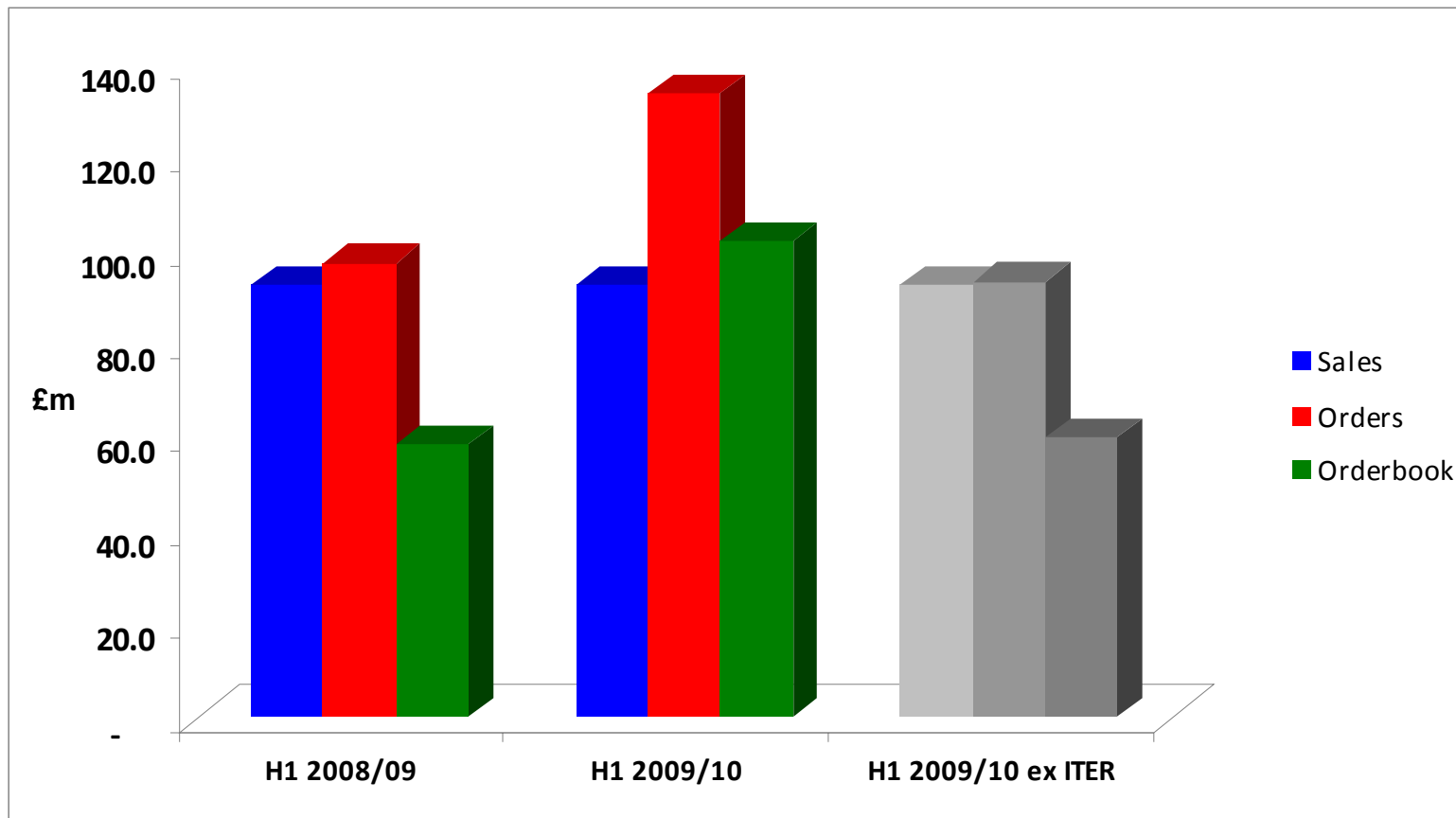


## IAS 19 Pension

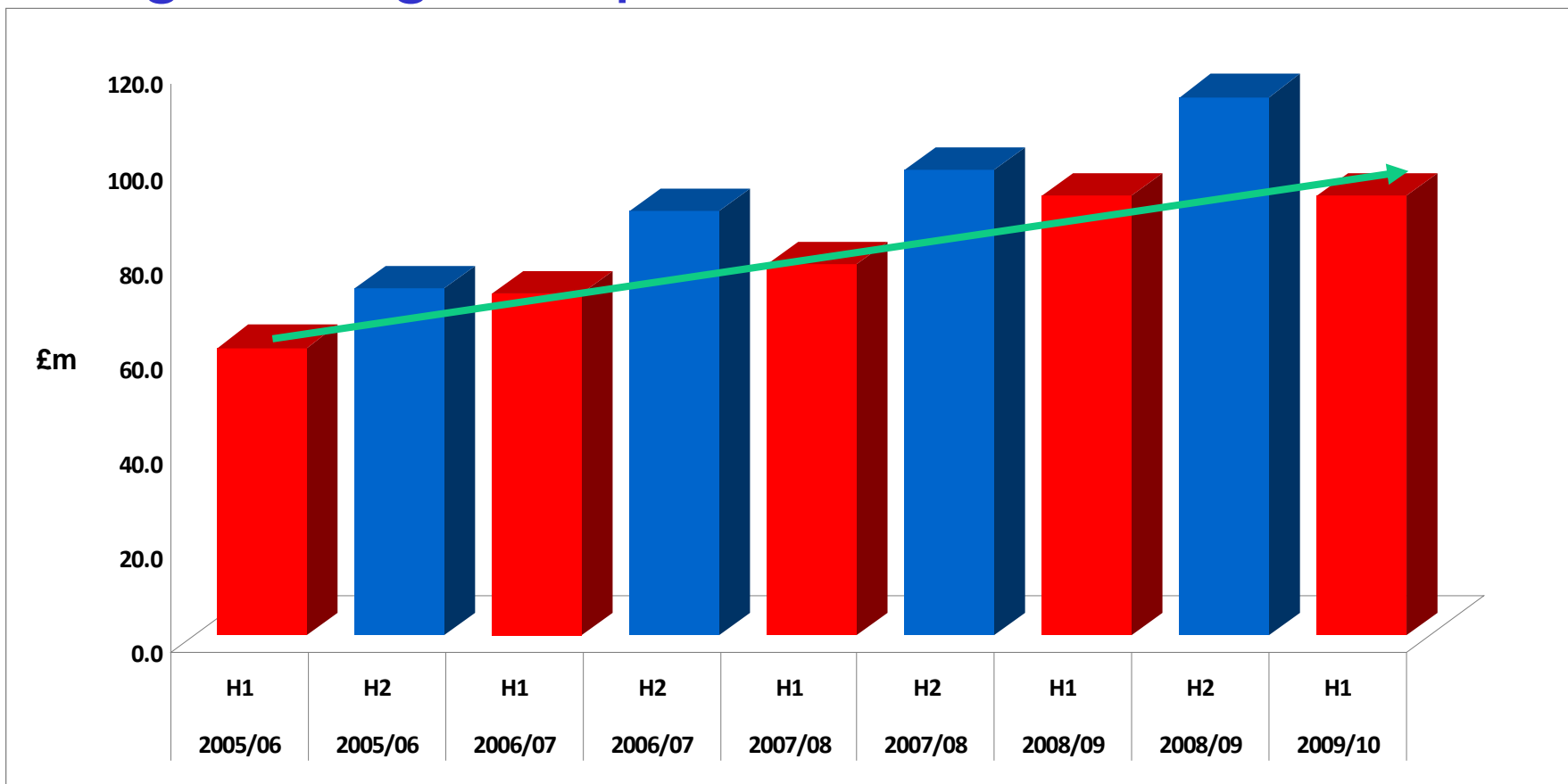
£m	Mar-09	Sep-09
Assets	125.0	147.5
Liabilities	(139.4)	(176.8)
Deficit	<u>(14.4)</u>	<u>(29.3)</u>



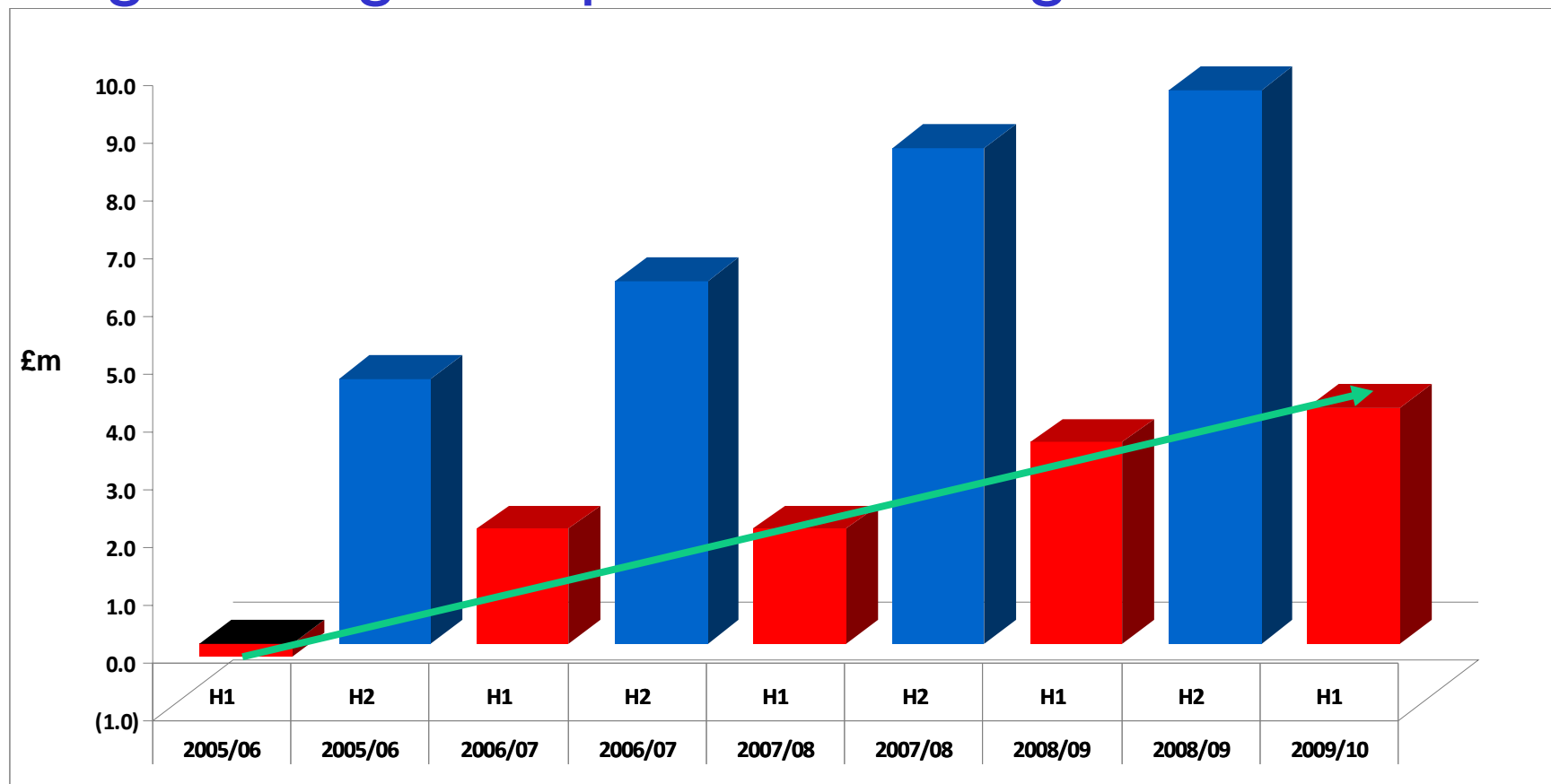
## Orders



## Progress against plan - Sales



## Progress against plan – Trading Profit



# Operational Review

Jonathan Flint  
Chief Executive

## NanoAnalysis –Systems for materials analysis at the nano-scale

- Signs of recovery after market softness in first half
- X-Max large area silicon drift detector is market leader in all territories
- X-Max for high performance electron microscopes launched



## Plasma Technology — Tools for nanotechnology fabrication

- Strong performance
- Research markets robust
- Opportunities in emerging markets
- Continued growth in HBLED and solar cell technology markets



## NanoScience – Environments for nanotechnology research

- Continued improvement
- Increased funding worldwide for leading edge nanotechnology research
- Innovative Cryogen free technology
- Triton™200 – new tool for working at ultra low temperatures





## Industrial Analysis – Tools for QC, Environmental and Compliance Testing

- Improved efficiency and productivity
- Signs of recovery in demand
- Opportunities in emerging markets
- New product introductions





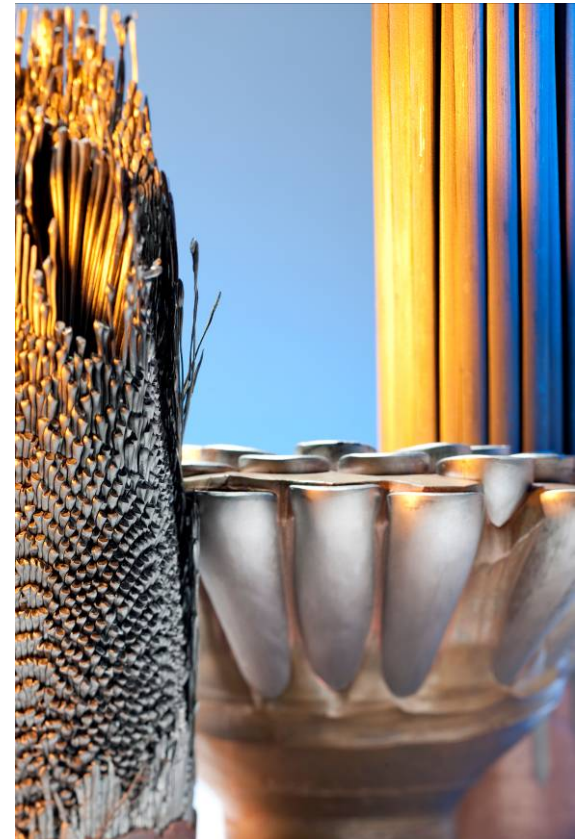
## Magnetic Resonance – Benchtop NMR for industrial applications

- Good performance
- Successful restructuring programme
- Broad applications for Benchtop NMR including, oil in sunflower seeds and rock core analysis



# Superconducting Wire – leading provider of superconductors for MRI and research

- Weak MRI Q1, some recovery in Q2
- ITER
- Manufacturing facility upgrade



## Service

- MRI Service continues to perform well in USA and Japan
- Launch of remote monitoring systems for maintenance of cryopumps and compressors
- New service branding in place across the Group



**oiService – it's cool to be SMART**

Award winning field service for magnets, cold heads and helium compressors

- Service support from national network
- Magnet de-icing and cool downs
- Accessories and quality spares in stock
- Refrigeration and helium-fills
- Technical support 24/7

For detailed information on all our services, please contact us Tel: +1 732 850 9323  
Email: [mrisevice@oxinet.com](mailto:mrisevice@oxinet.com)  
[www.oxford-instruments.com/mri](http://www.oxford-instruments.com/mri)



## Sustainability Programme

- Range of products to support environmental impact reduction programmes and compliance with environmental legislation
- Substantial improvements in energy consumption and carbon footprint around the Group
- FTSE Green Index – one of top 30 UK ‘green companies’



## Outlook

- Research markets remain robust
- Improving industrial markets
- Continued focus on cash
- New Product Introduction programmes in place
- Restructured business well positioned to exploit market recovery

*“Despite the continuing difficult market environment, the current trading conditions, together with the benefits of our efficiency actions and our ongoing programme of new product introductions mean that the Board remains confident that the performance for the full year will be in line with its expectations.”*



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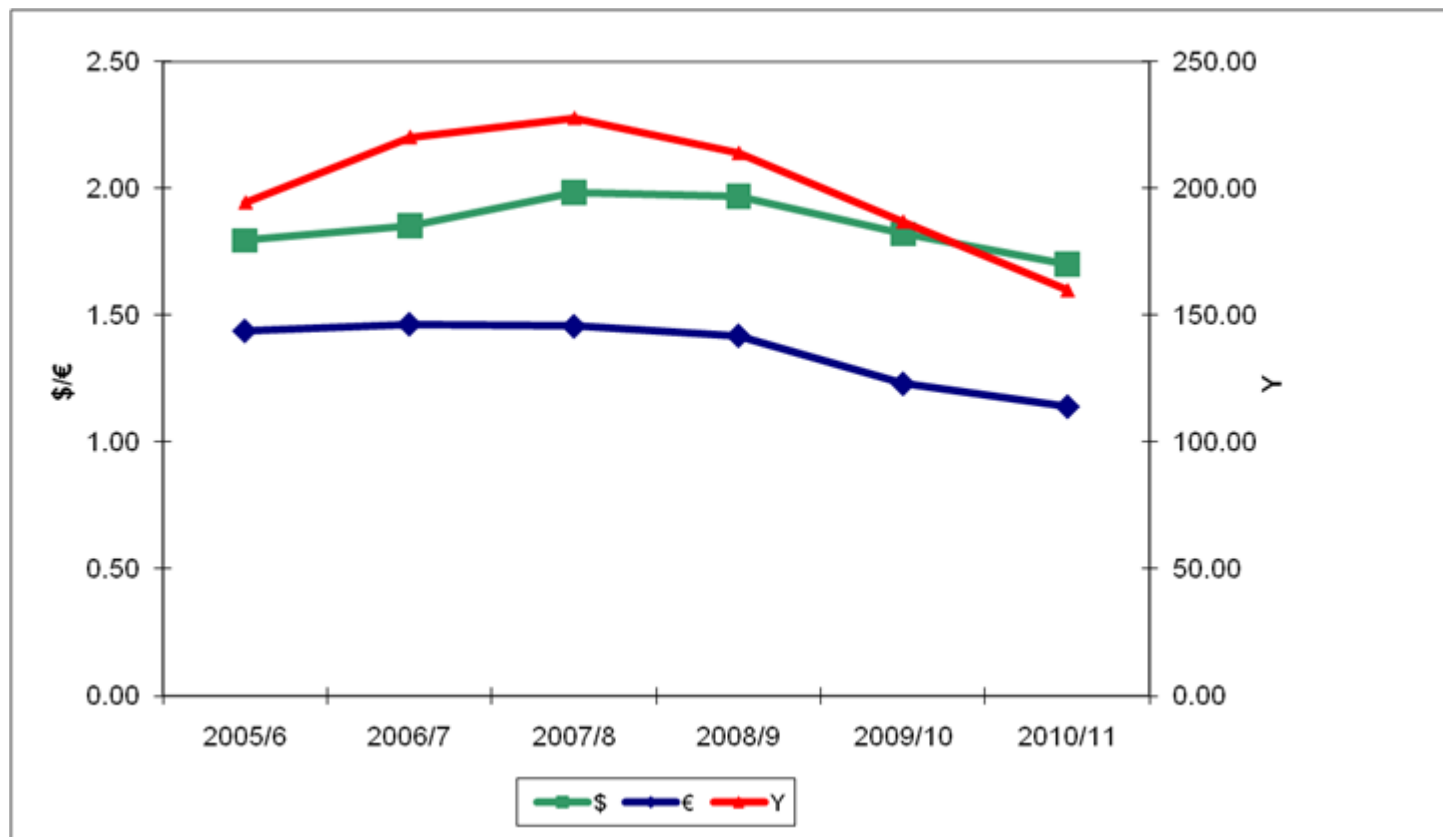
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## Appendix

## Fx rates (2010/11 – hedged/spot)





## Reconciliation 2008/09 to New Segment Reporting Structure

Half Year to 30 September 2008 (£m)

	Nano- technology Tools	Industrial Products	Service	Inter- segment Elimination	Total
<b>Revenue</b>					
Analytical	32.1	21.3	9.9	-	63.3
Superconductivity	7.8	14.7	7.5	(0.5)	29.5
	<b>39.9</b>	<b>36.0</b>	<b>17.4</b>	<b>(0.5)</b>	<b>92.8</b>

	Nano- technology Tools	Industrial Products	Service	Inter- segment Elimination	Total
<b>Trading profit</b>					
Analytical	4.2	(0.4)	1.6	-	5.4
Superconductivity	(2.0)	(0.7)	0.8	-	(1.9)
	<b>2.2</b>	<b>(1.1)</b>	<b>2.4</b>	<b>-</b>	<b>3.5</b>

## Reconciliation 2008/09 to New Segment Reporting Structure

Year to 31 March 2009 (£m)

	Nano- technology Tools	Industrial Products	Service	Inter- segment Elimination	Total
<b>Revenue</b>					
<b>Analytical</b>	71.1	42.4	21.2	-	134.7
<b>Superconductivity</b>	23.1	33.1	16.7	(1.1)	71.8
	<b>94.2</b>	<b>75.5</b>	<b>37.9</b>	<b>(1.1)</b>	<b>206.5</b>

	Nano- technology Tools	Industrial Products	Service	Inter- segment Elimination	Total
<b>Trading profit</b>					
<b>Analytical</b>	8.9	(1.3)	3.5	-	11.1
<b>Superconductivity</b>	(0.3)	-	2.3	-	2.0
	<b>8.6</b>	<b>(1.3)</b>	<b>5.8</b>	<b>-</b>	<b>13.1</b>