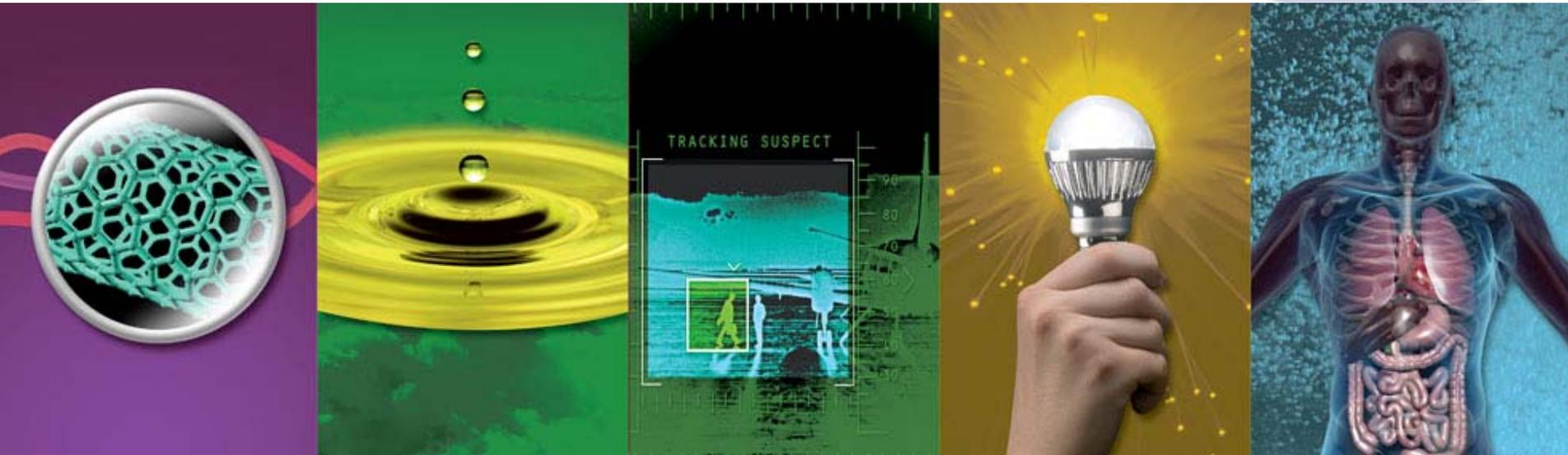


# Half Year Results Announcement November 18th 2008

Jonathan Flint – Chief Executive  
Kevin Boyd - Group Finance Director



## Contents

- Half Year Overview – Jonathan Flint
- Financial Review – Kevin Boyd
- Operational Review – Jonathan Flint

## Half-Year Overview

- Sales up 19%
- Profits up to £2.6m (2008 £1.8m)
- Continued organic growth
- Two successful acquisitions
- Interim Dividend unchanged
- On plan

## Strategic Overview

We plan to double the size of the business over 5 years and at the same time improve our return on sales by 10%

## What have we achieved in the first half of the plan?

- Development of Commercial Culture
- New Product Introductions
- Acquisitions

## How have changes in the global trading environment affected us?

- **US** Decline in some sectors
- **EMEA** Steady on average
- **Asia (exc China)** Steady on average
- **China** Growth in some sectors

## Opportunities for the second half of the plan

### Growth

- Growth may be harder to achieve
- New Product Introductions will give us market share gains
- Key industries, such as photovoltaic devices, appear to remain buoyant

## Opportunities for the second half of the plan

### Margin Improvement

- Business process re-engineering
- Supplier leverage
- Freight costs
- Currency

## Opportunities for the second half of the plan

### Acquisitions

- Much of the acquisitive growth for the plan has already been achieved
- Given the uncertainties in valuations, only opportunities to offer near term value would be pursued
- There is IP and route to market value to be had from undervalued companies
- Potential acquisitions will be reviewed conservatively

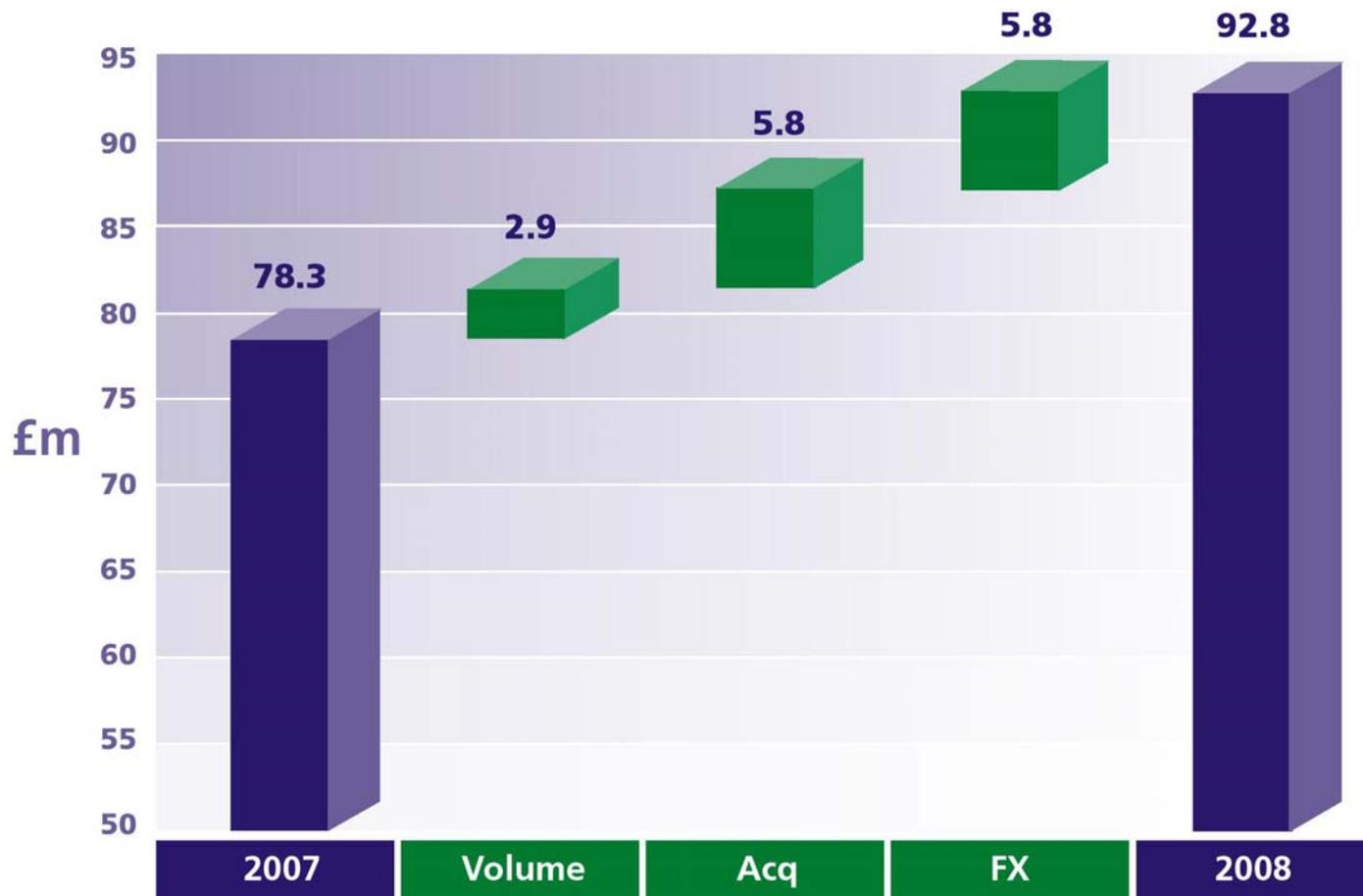
# Financial Review

Kevin Boyd  
Group Finance Director

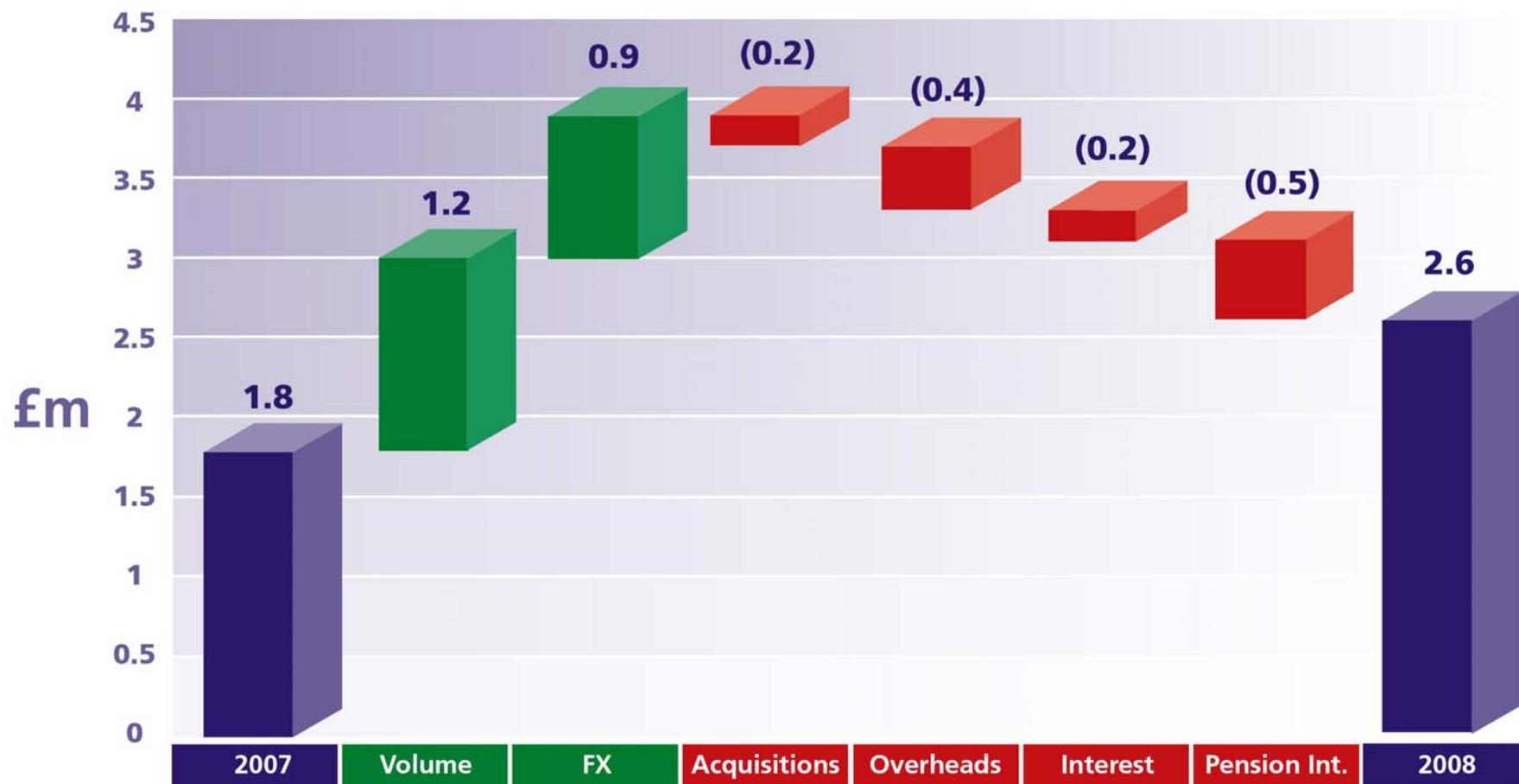
## Financial Highlights

	2008/09	2007/08	Growth
	£m	£m	
<b>Revenues</b>	<b>92.8</b>	<b>78.3</b>	<b>18.5%</b>
Gross profit	38.2	31.5	
<i>GPM%</i>	41.2%	40.2%	
<b>Trading profit</b>	<b>3.5</b>	<b>2.0</b>	<b>75.0%</b>
Finance costs	(0.9)	(0.2)	
<b>Adjusted profit before tax</b>	<b>2.6</b>	<b>1.8</b>	<b>44.4%</b>
Amortisation of acquired intangibles	(2.0)	(0.4)	
"Exceptionals"	2.0	0.7	
Mark to Market	(1.3)	0.2	
Profit /(loss) before tax	1.3	2.3	
Tax	0.0	(0.8)	
Earnings	1.3	1.5	
<b>Adjusted EPS (pence)</b>	<b>3.4</b>	<b>2.3</b>	<b>47.8%</b>
EPS (pence)	2.6	3.0	

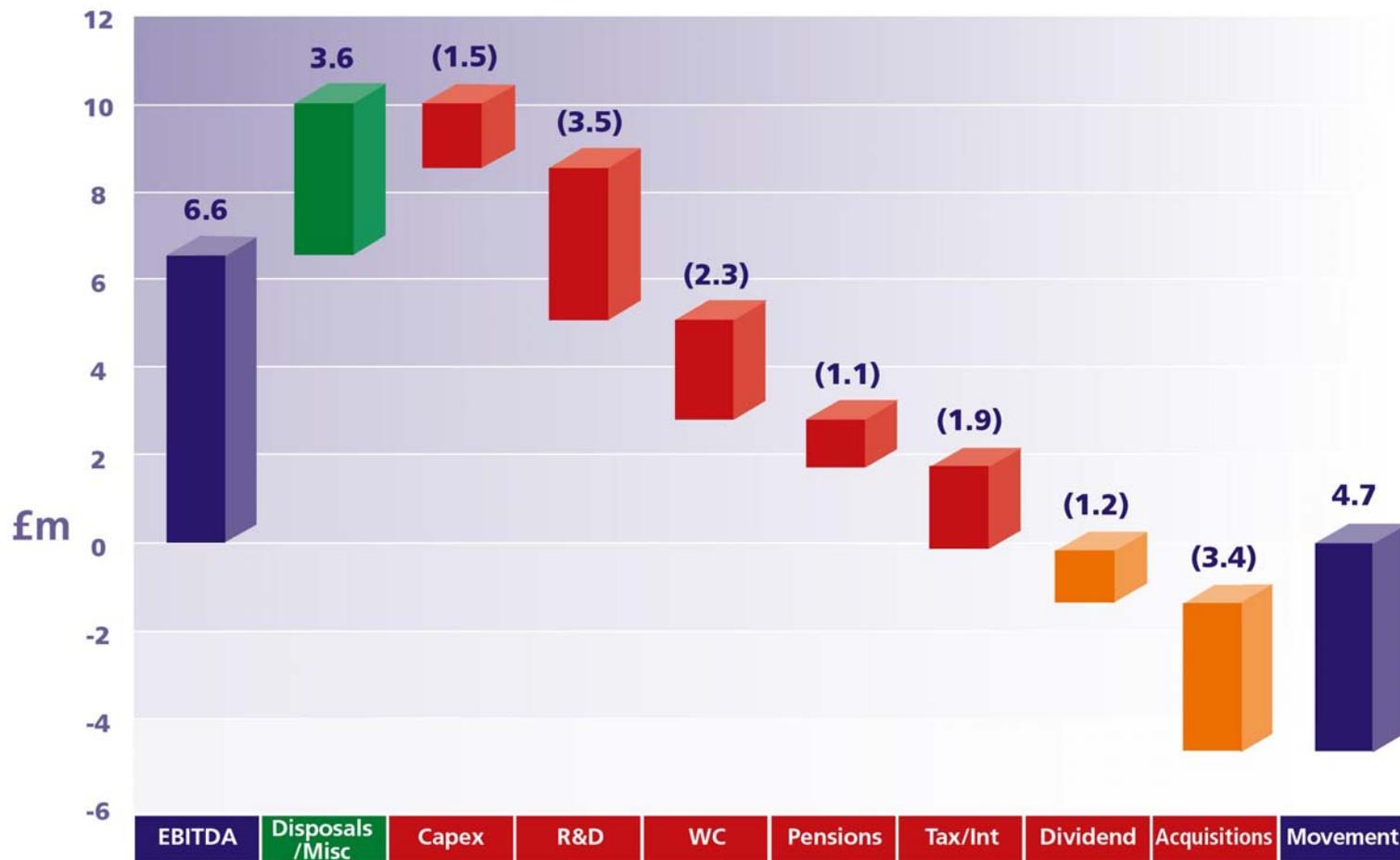
## Sales Bridge



## Profit Bridge



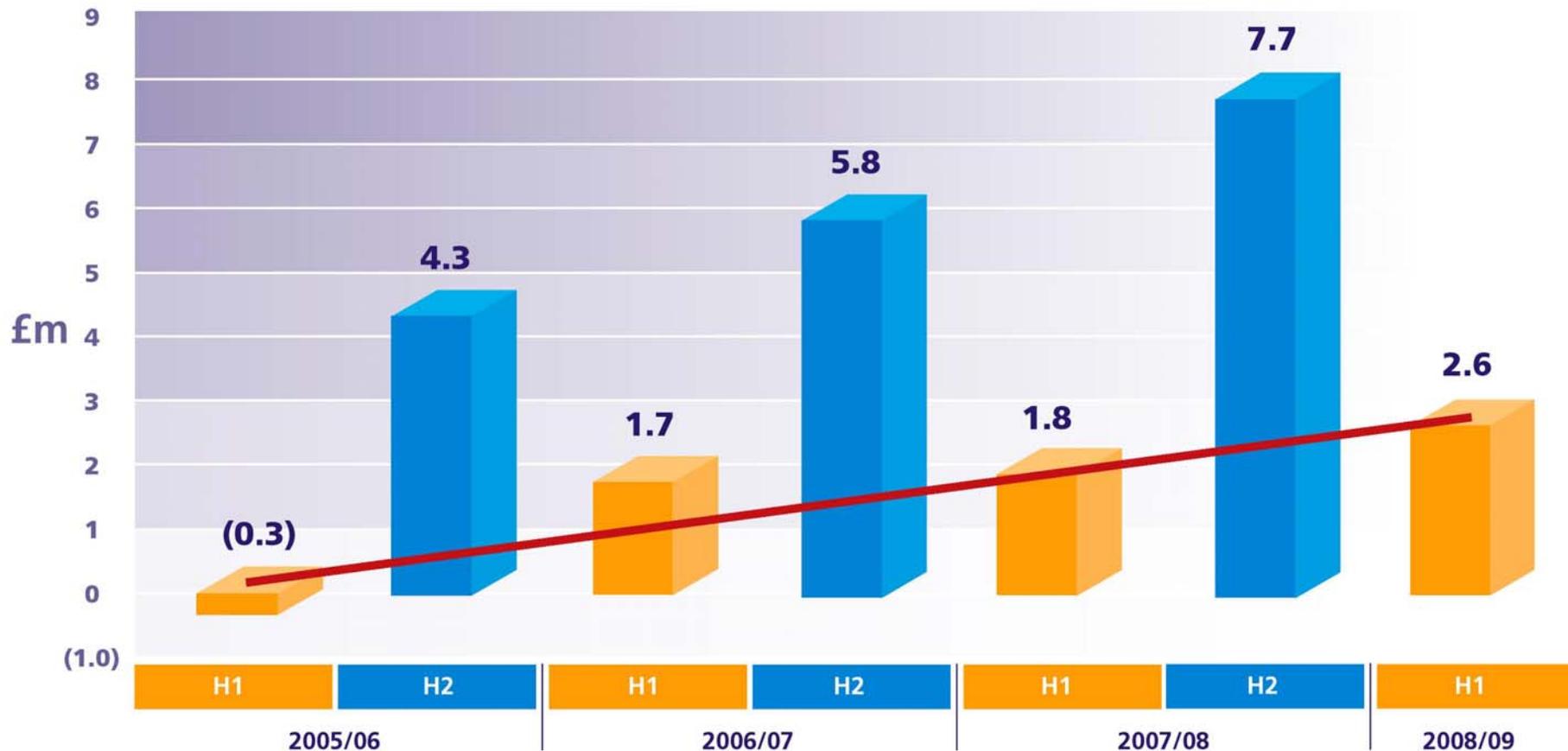
## Cash Bridge



## Half Yearly Sales

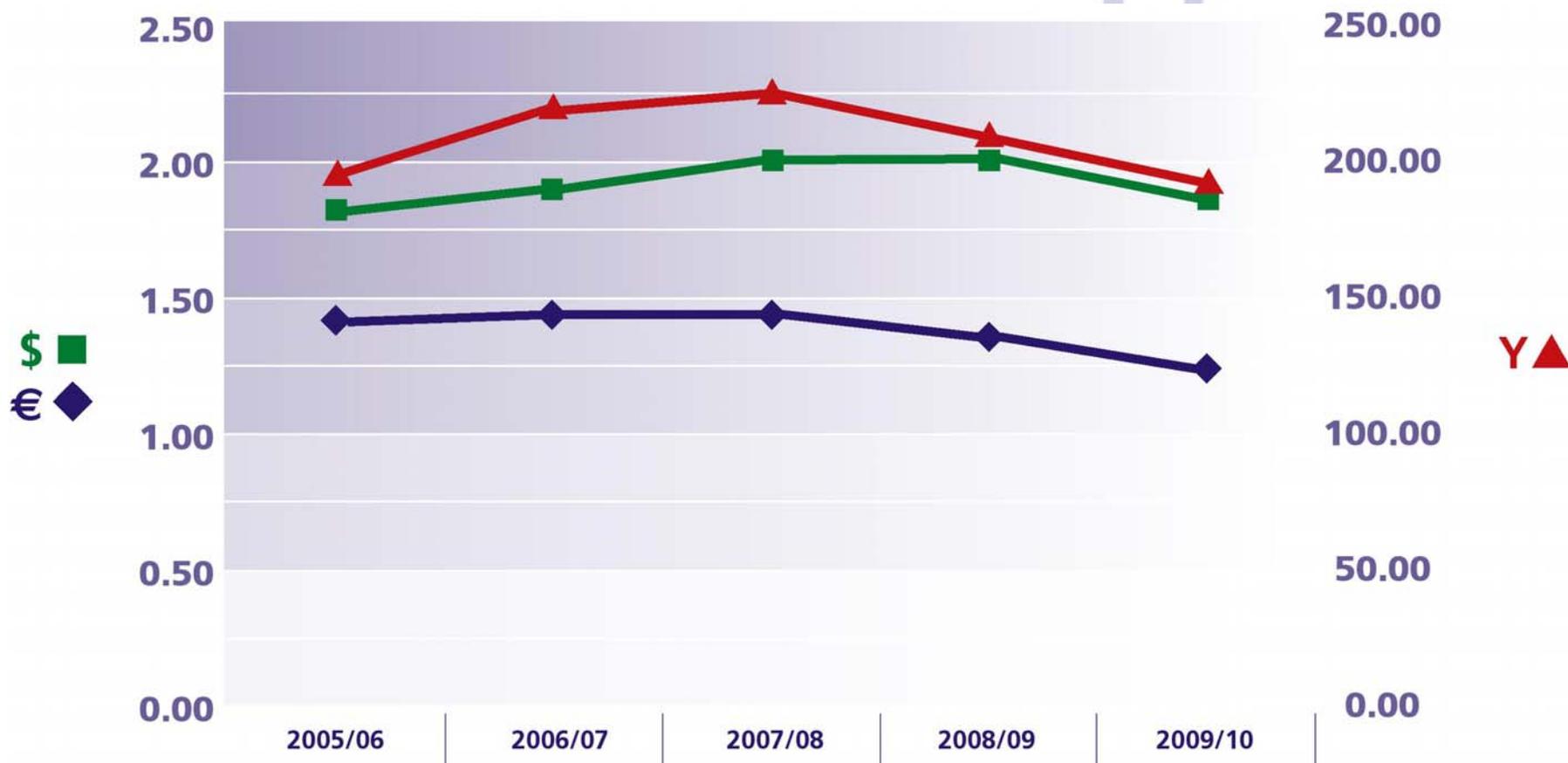


## Half Yearly Adj. PBT

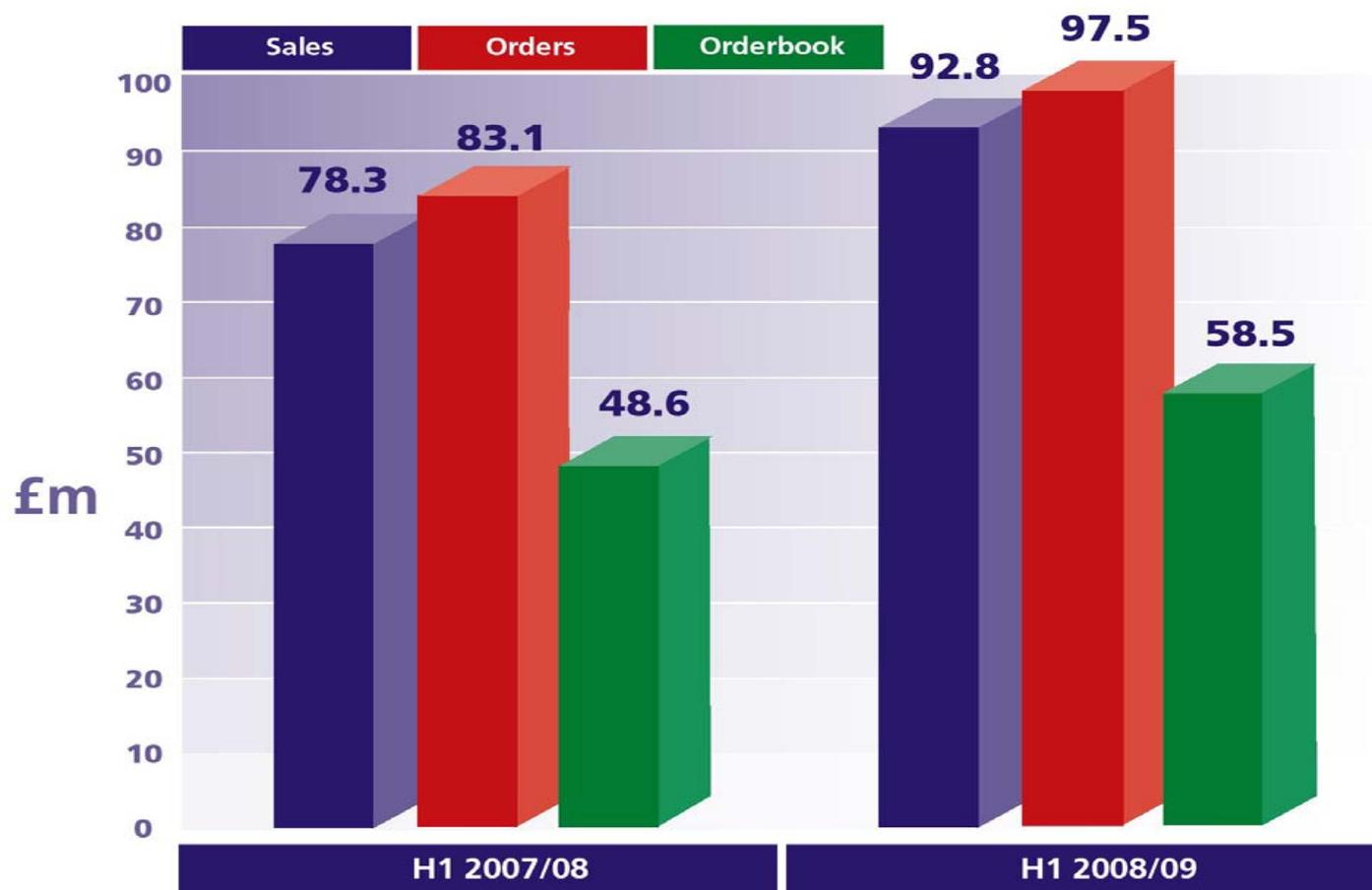


## FX rates

Historic achieved rates plus hedged rates for current and next year



## Sales, Orders and Orderbook



## 'Exceptionals'

£m	Profit	Cash
Disposal of ODL	3.4	3.0
Write down of Investment	(0.5)	
Disposal of MBE	(0.9)	0.3
	<hr/>	<hr/>
	2.0	3.3
	<hr/>	<hr/>

# Operational Review

Jonathan Flint  
Chief Executive

## Structure

### Oxford Instruments plc

#### Analytical

##### Industrial Analysis

Instruments for elemental analysis metals identification, coating thickness measurement and X-ray sources

##### Nano Analysis

Microanalysis systems for electron microscopes

##### Plasma Technology

Process solutions to enable the fabrication of nano structures for research, development and manufacturing

#### Superconductivity

##### Nano Science

Cryogenic systems  
Superconducting magnets

##### OST

Superconducting wire and cables.  
MRI support

##### Molecular Biotools

Tools for the development of bioscience applications

##### Austin Scientific

Cryogenic vacuum pump systems

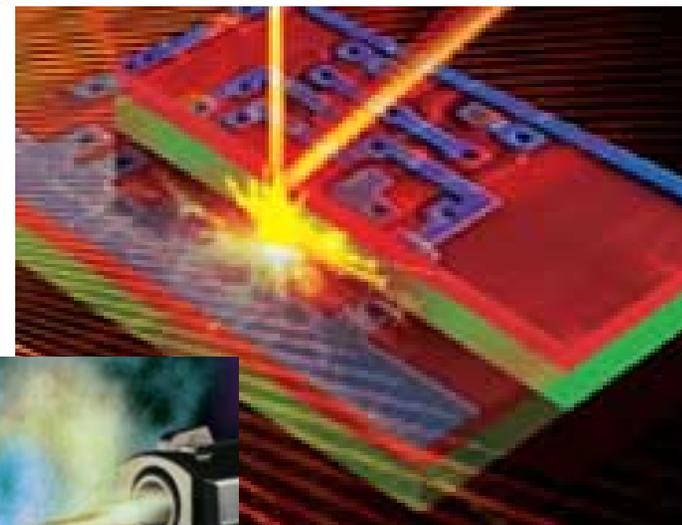
## Industrial Analysis

- Launch of next generation, high-performance hand held analysers
- New applications
  - Photovoltaics – analysis of solar panels and fuels cells
  - Oxford Instruments X-ray detector on Chandrayaan-1, India's space mission to survey the moon



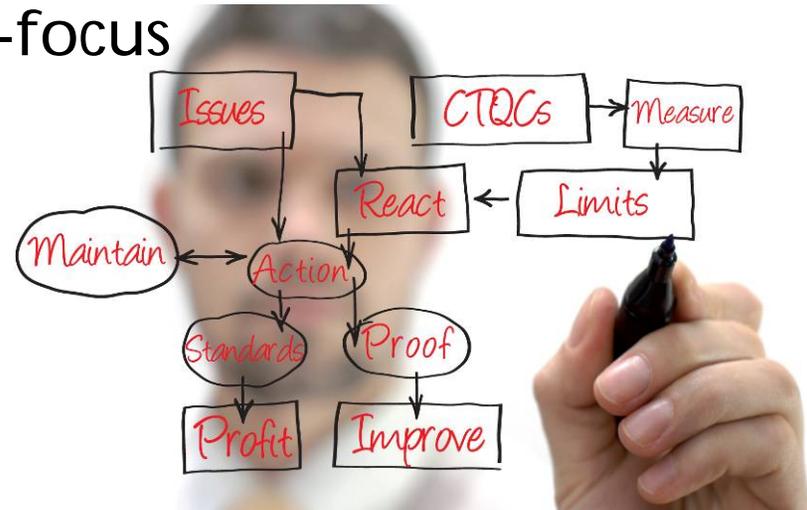
## NanoAnalysis

- Launch of X-Max – world's first large area silicon drift detector
- Thin Film Analysis for accurate, non-destructive analysis of thin film coatings
- Key supplier of forensic systems to police forces world-wide



## NanoScience

- High demand for Liquid Cryogen-free low temperature tools
- Restructuring programme to re-focus the business
  - Dedicated business streams
  - Streamlined workforce



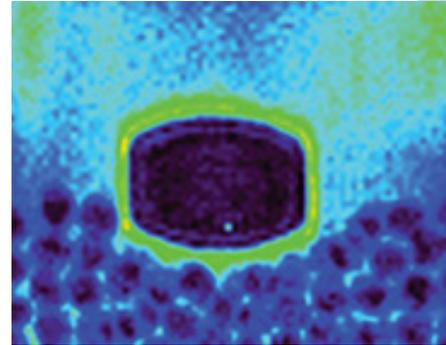
## Plasma Technology

- Photovoltaic market strong
- HBLED market continues to develop
- New orders in the RFID market –  
Radio Frequency Identification  
Devices

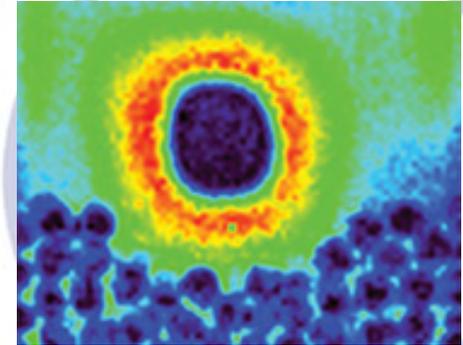


## Molecular Biotools

- PharmaSense™
  - Understanding the behaviour of drugs in the human body
- Rock Core Analysis for oil exploration



Tablet dissolution at 0 hrs



Tablet dissolution at 8 hrs



## Superconducting Technology

- Fusion, research and new medical applications for our Niobium Tin superconducting wire
- Increase in supply of MRI conductors
- ITER



## Outlook

- Currently on plan
- Ready to take necessary action to maximise shareholder value
- Differentiated product portfolio
- Geographic spread
- Strong R&D pipeline
- Balance of organic and acquisitive growth
- Currency tailwind

*“These factors underpin the Board’s continued confidence in delivering a full year performance that is in line with its expectations”*