

Half Year Results Announcement 16th November 2010



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Half-Year Overview

- Order intake, excluding ITER, up 51.1%
- Revenue up 22.0%
- Adjusted PBT up £7.8m to £10.6m
- Net debt reduced to £3.9m
- Adjusted EPS up 13.3 pence to 17.4 pence
- Interim Dividend increased by 5% to 2.52 pence

Progress against 5 year plan

- Organic growth targets exceeded
- Trading Profit margins exceeded 10% in first half
- Efficiency improvements firmly embedded across the Group
- All businesses profitable
- R&D programmes on track
- Pursuing acquisition targets



World-wide growth

- All businesses experiencing strong demand
- Research markets remain robust
- Sustained improvement in industrial markets
- Pricing levels maintained as price pressure abates and demand increases
- Significant growth in Asia



China growth 52%



Financial Review

Kevin Boyd
Group Finance Director

Financial Highlights

	2010/11	2009/10
	£m	£m
Orders	141.3	133.9
Revenues	113.2	92.8
Gross profit	48.8	39.1
Trading profit	11.9	4.1
Finance costs	(1.3)	(1.3)
Adjusted profit before tax	10.6	2.8
Amortisation of acquired intangibles	(1.8)	(2.2)
"Exceptionals"	3.2	(0.4)
Mark to Market	1.2	5.5
Profit before tax	13.2	5.7
Tax	(3.0)	(1.6)
Earnings	10.2	4.1
Net Debt	(3.9)	(29.6)
Adjusted EPS (pence)	17.4	4.1
EPS (pence)	20.7	8.3

Growth	
Orders	5.5%
- excl. ITER	51.1%
Sales	22.0%
Profit	190.2%
Adj. EPS	324.4%

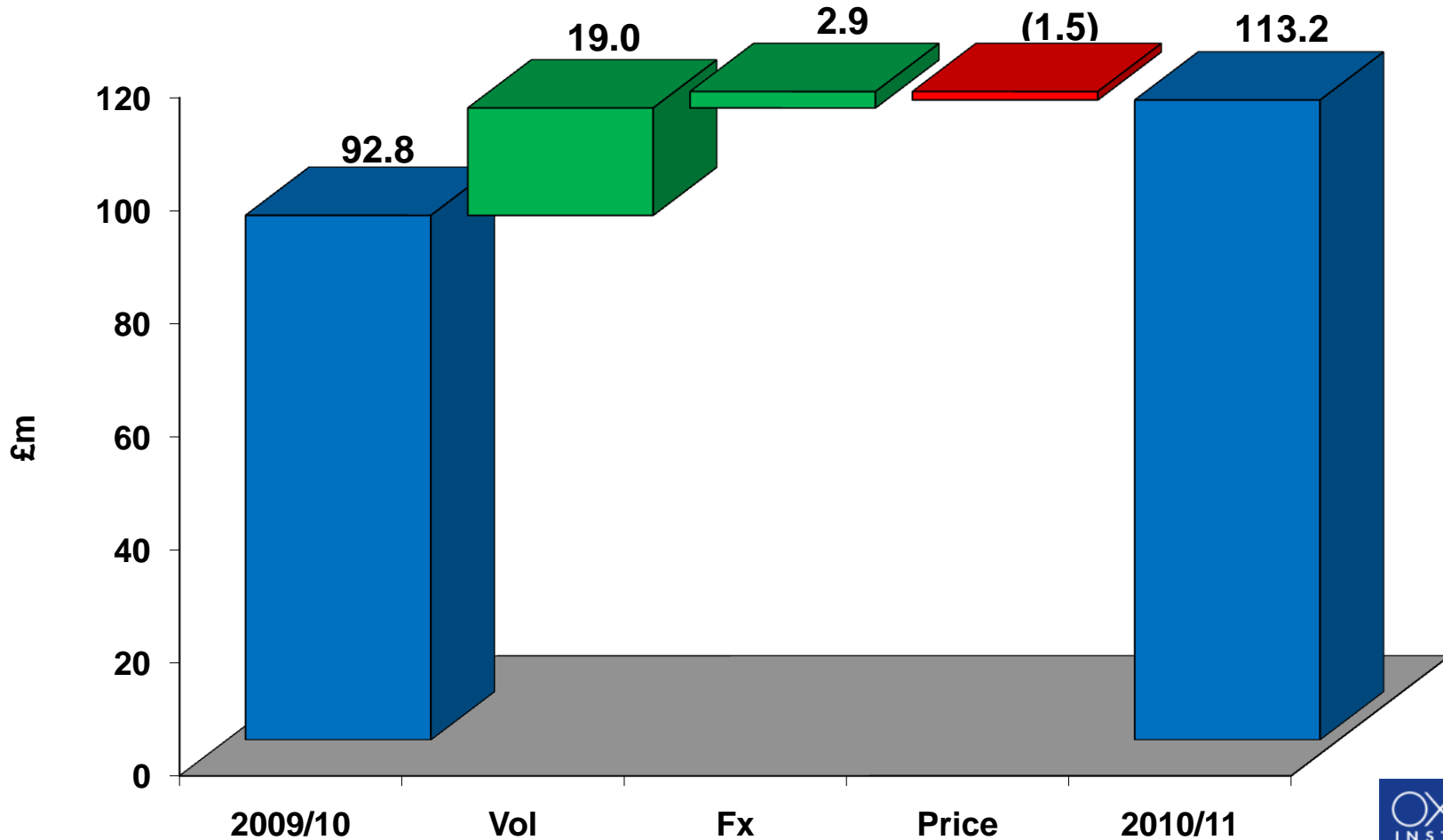
Margins	10/11	09/10
GM%	43.1%	42.1%
TM%	10.5%	4.4%

Segment Split

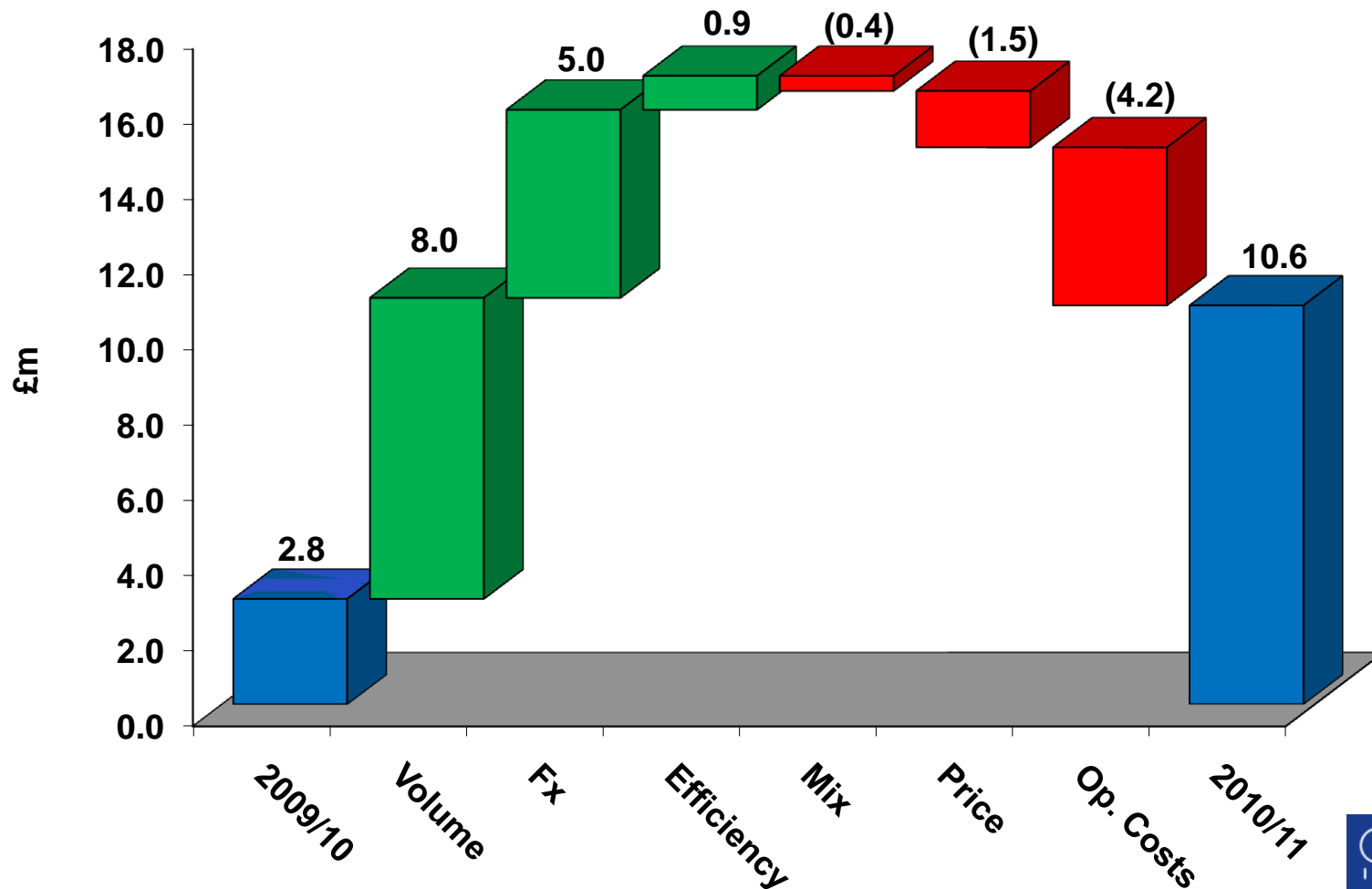
	Nanotechnology		Industrial		Service		Total	
	Tools		Products					
	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10	2010/11	2009/10
	£m	£m	£m	£m	£m	£m	£m	£m
External revenue	49.0	43.3	42.3	30.8	21.9	18.7	113.2	92.8
Inter-segment revenue	0.2	0.2	1.0	0.1				
Sector revenue	49.2	43.5	43.3	30.9	21.9	18.7		
Trading profit/(loss)	5.8	2.1	2.0	(0.7)	4.1	2.7	11.9	4.1
Return on sales	11.8%	4.8%	4.6%	-2.3%	18.7%	14.4%	10.5%	4.4%



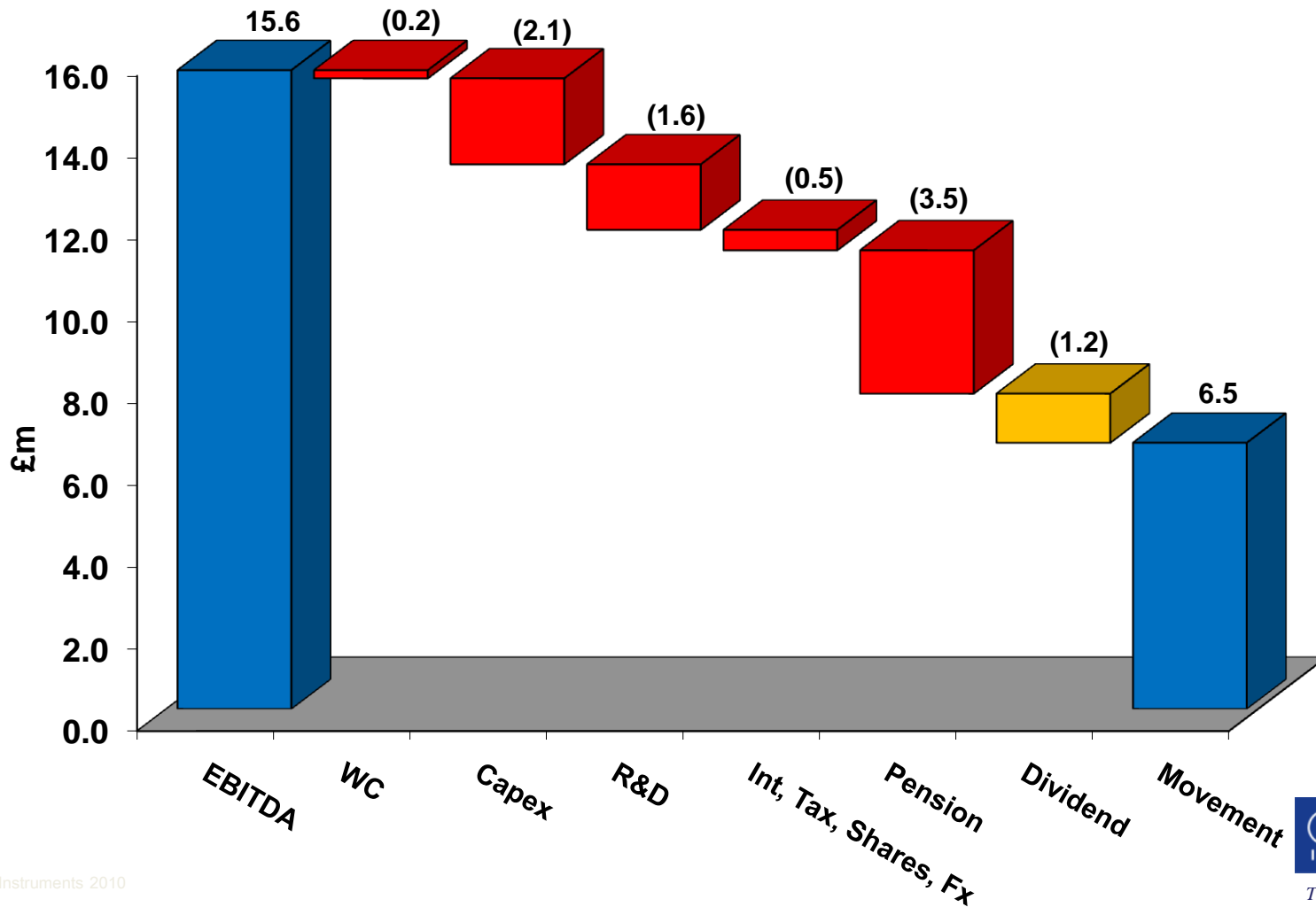
Sales Bridge



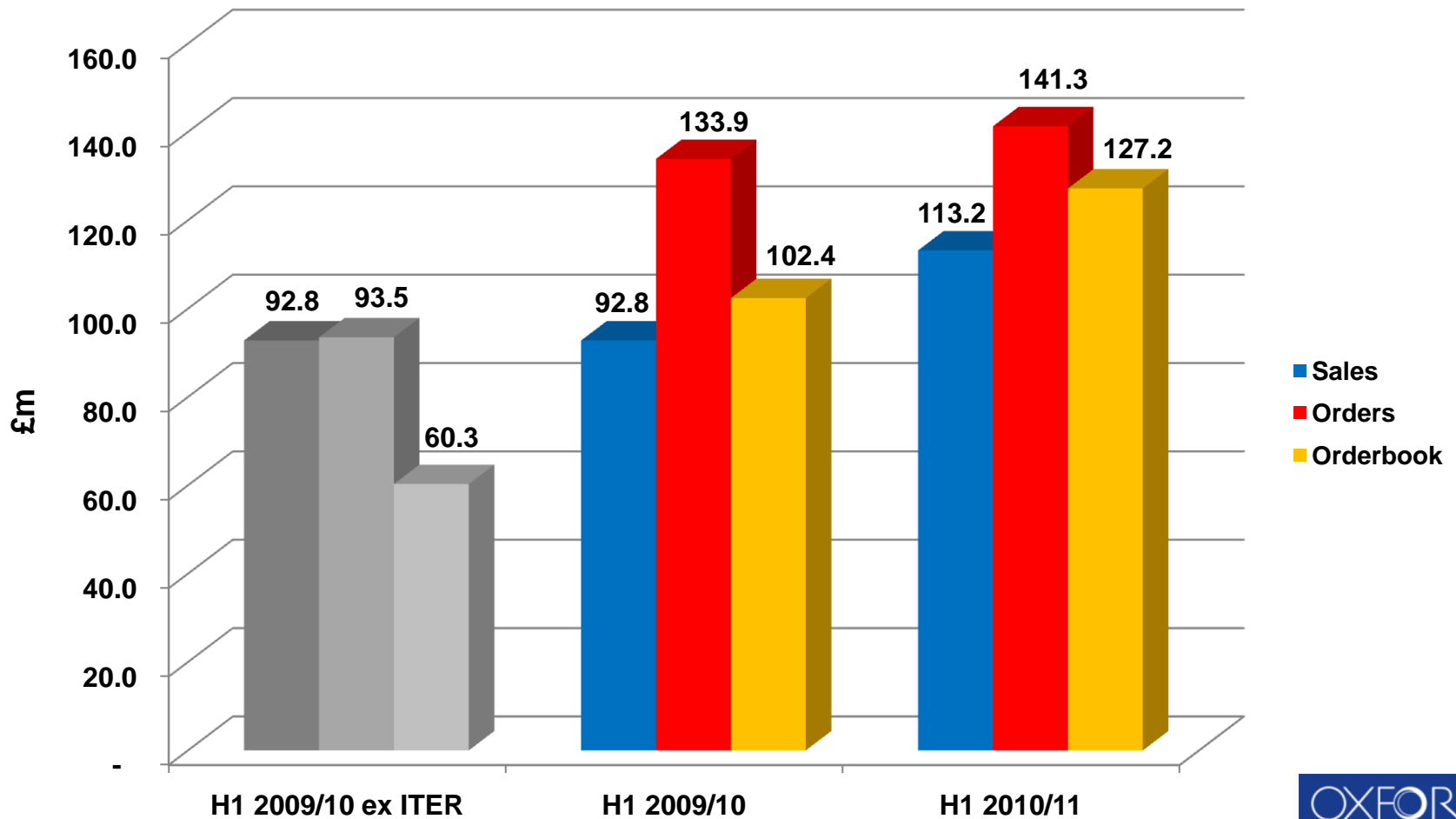
Profit Bridge



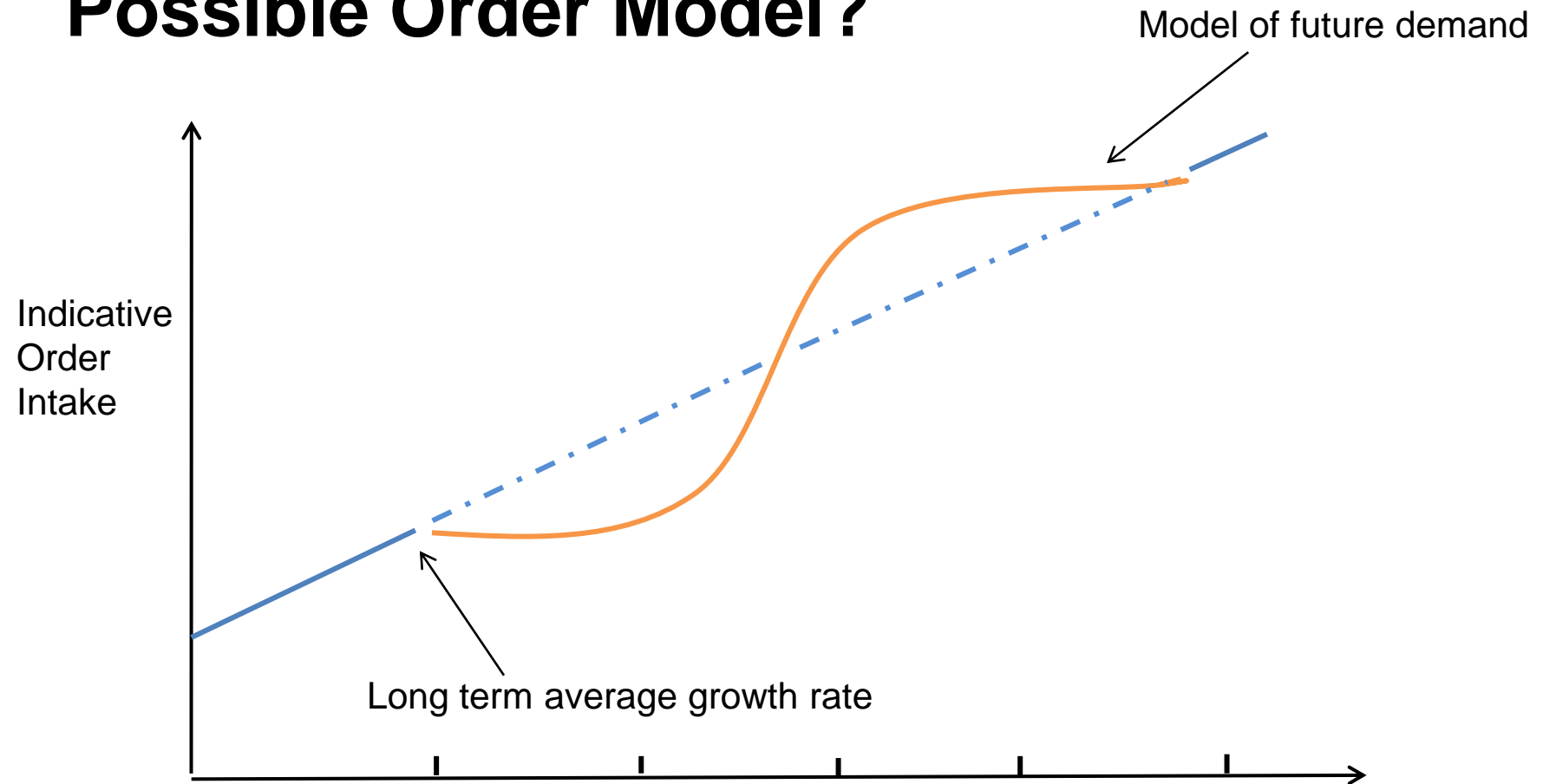
Cash Flow



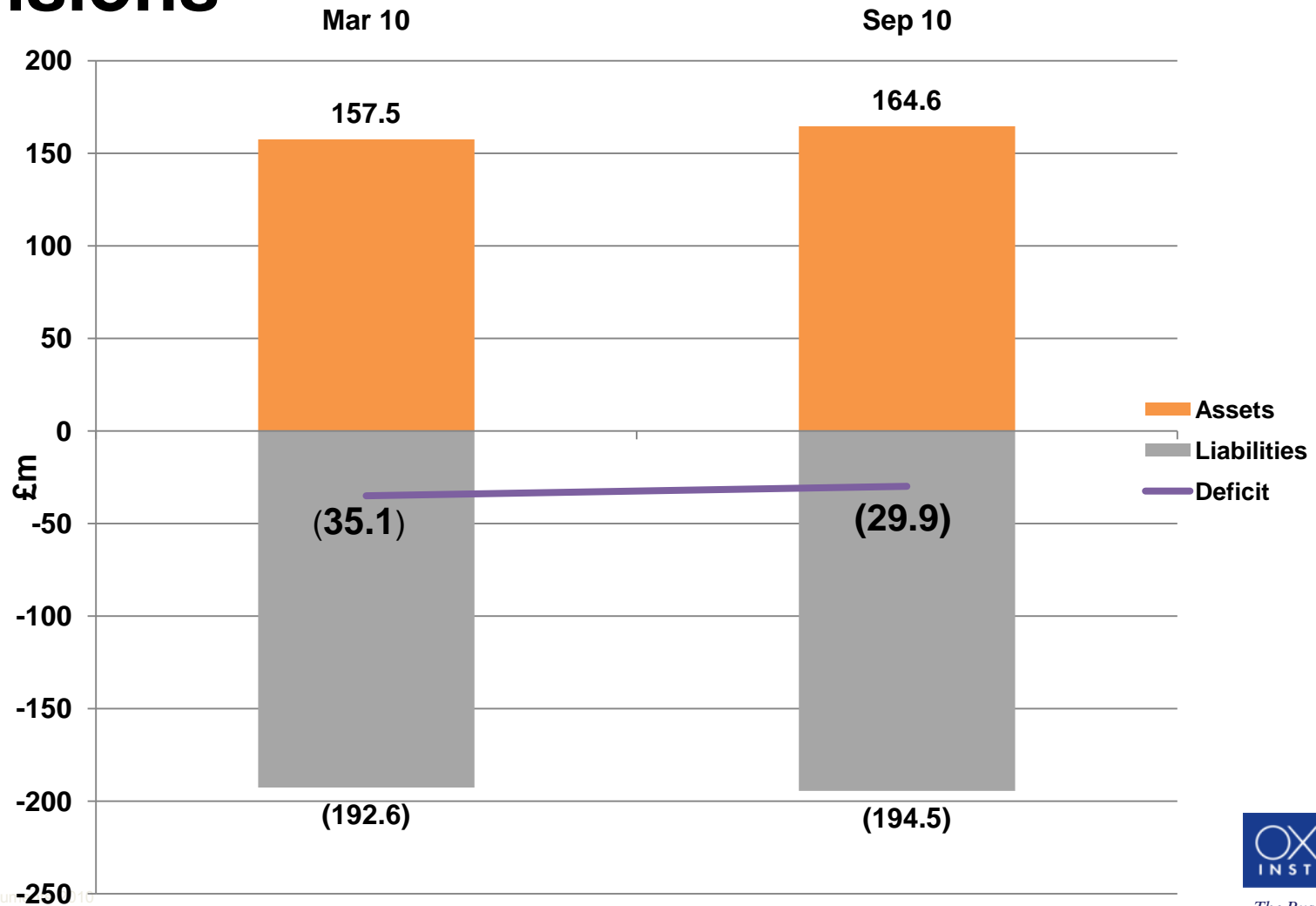
Orders



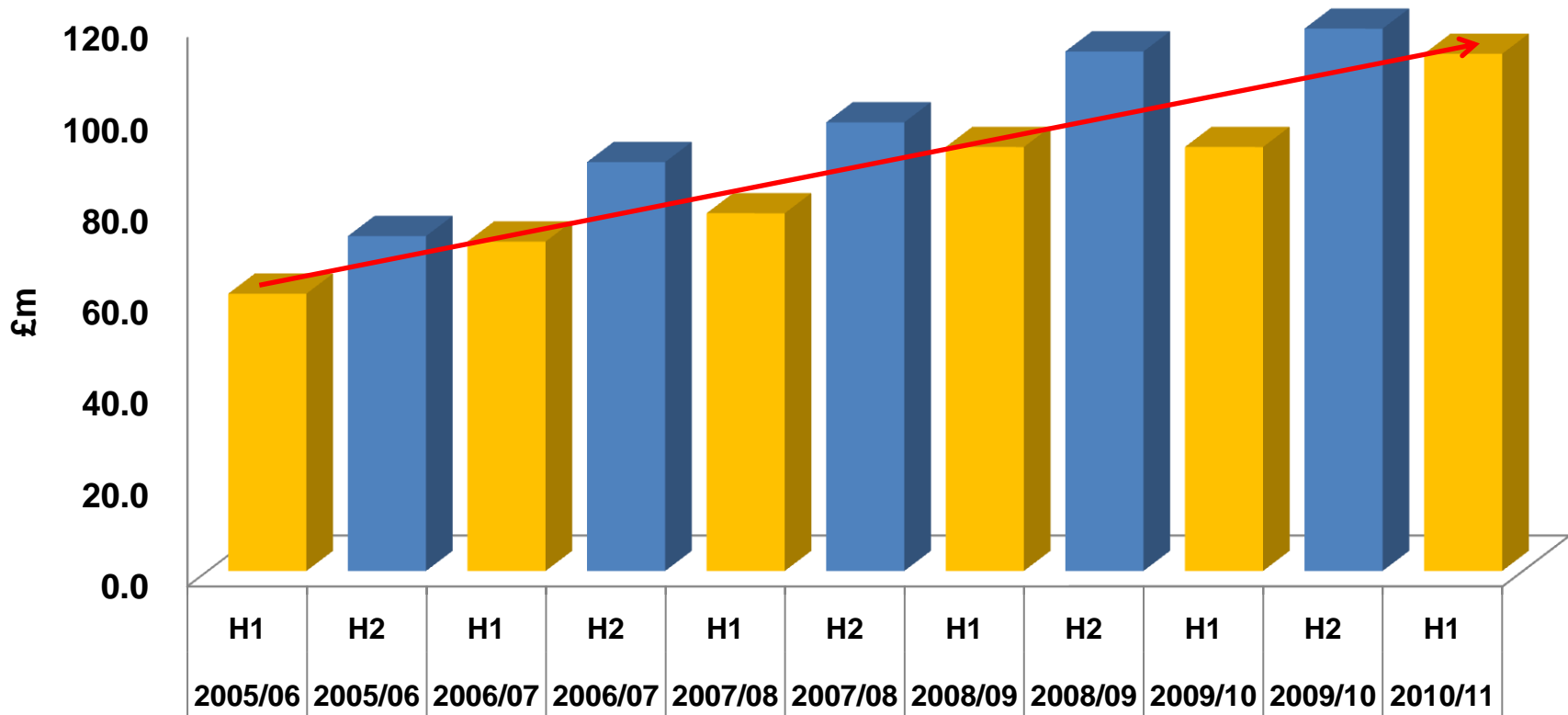
Possible Order Model?



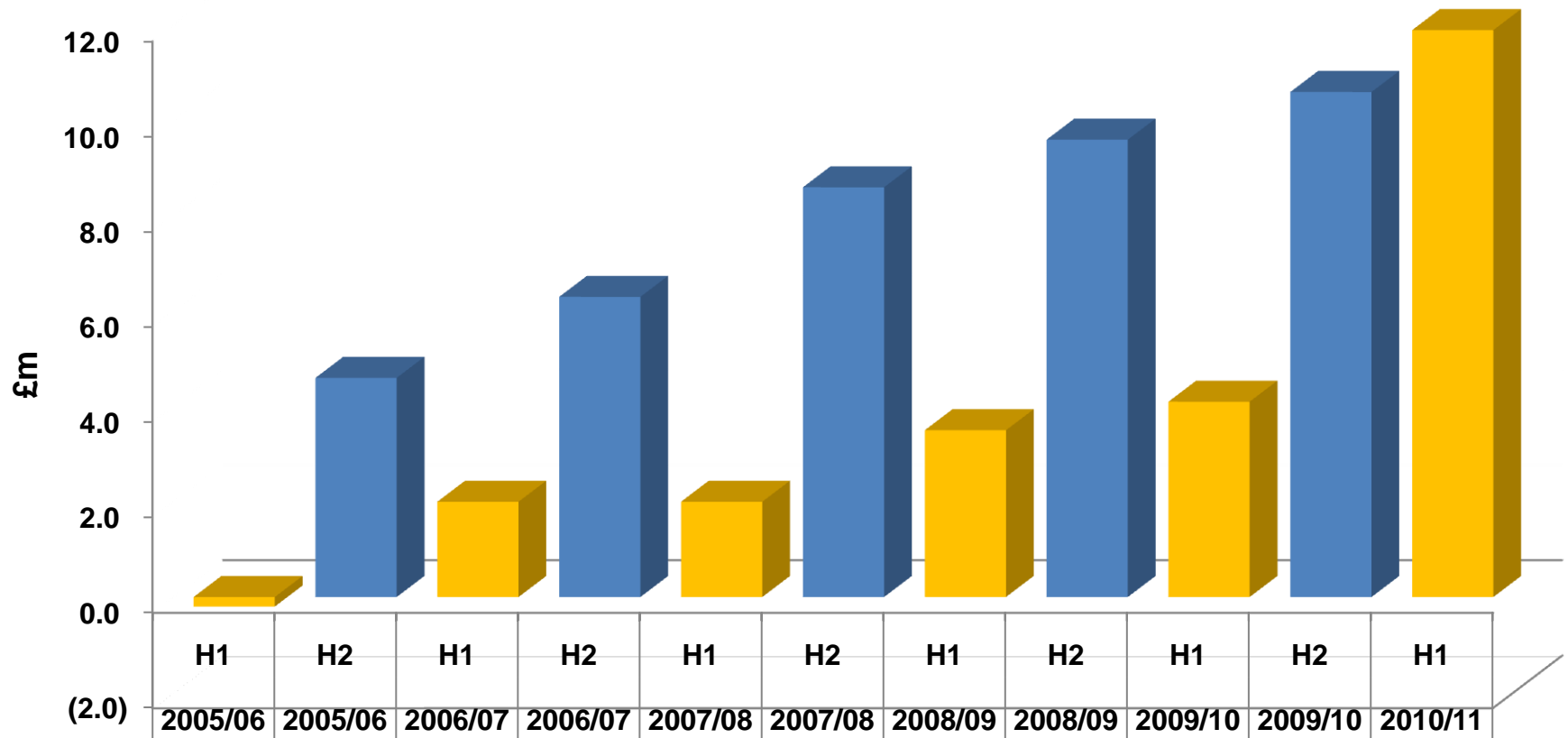
Pensions



Five Year Plan - Sales



Five Year Plan - Profit



Operational Review

Jonathan Flint
Chief Executive

Three Business Sectors

Nanotechnology Tools



Nanoanalysis

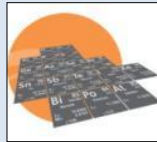


NanoScience



Plasma Technology

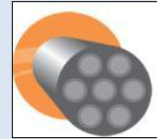
Industrial Products



Industrial Analysis



Magnetic Resonance



**Superconducting
Wire**

Service



OI Service



Austin Scientific



**Service elements of
other two sectors**



NanoAnalysis

Systems for materials analysis at the nano-scale

- Continued strong performance
- X-Max detector dominates market
- New applications





Plasma Technology

Tools for nanotechnology fabrication

- Strong performance with record orders
- High growth HBLED market
- Increased demand particularly from Asia
- Technology partnerships for new applications
- Investment in additional facilities





NanoScience

Environments for nanotechnology research

- Significantly improved performance
- Dominates low temperature research market
- Introduction of further cryogen-free products
- Demand for consultancy services increasing from quantum research

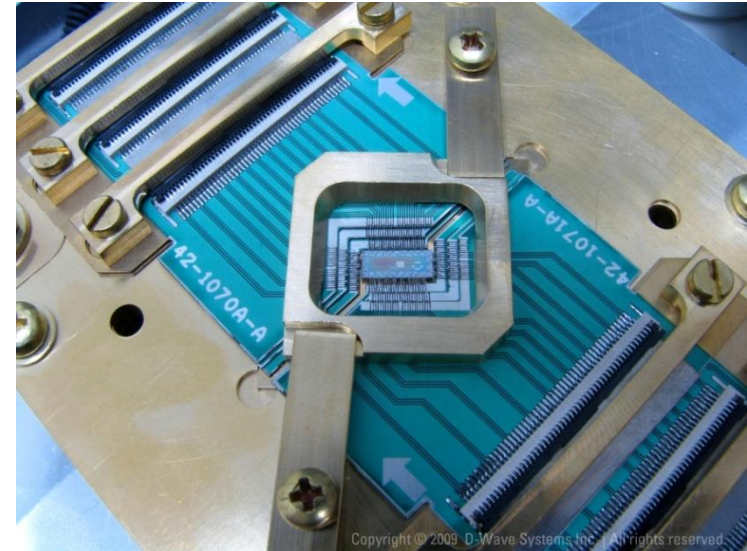


Image courtesy of D-Wave Systems Inc



The Business of Science®





Industrial Analysis

Tools for QC, Environmental and Compliance Testing

- Strong performance
- Sustained strengthening of industrial markets
- Rising metal prices increasing demand for OES and XRF metals analysis tools
- Hand-held soil analyser used to identify hazardous substances



Toxic waste spillage in Hungary September 2010



Magnetic Resonance

Benchtop NMR for industrial applications

- Strong performance
- Demand for seed analysers high in emerging nations
- Strong growth in spin-finish markets
- Launch of new product for rock core sector, enabling key analysis in more challenging environments

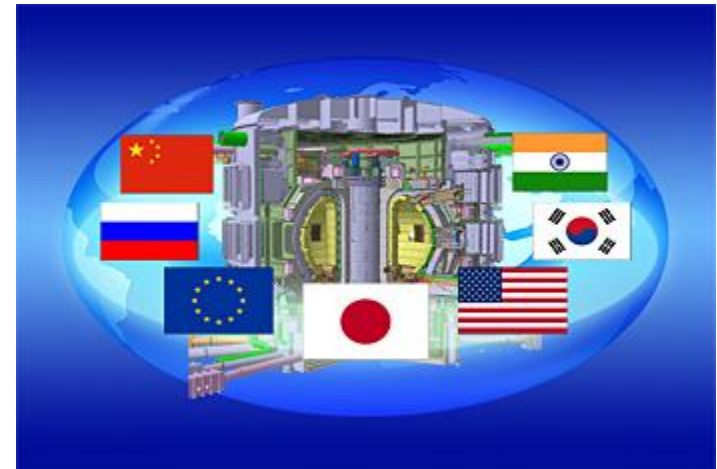




Superconducting Wire

leading provider of superconductors for MRI and research

- Continued strong performance
- High demand from all major customers driven by next generation MRI scanners
- First sale to ITER





Service

- All revenue streams performing well with particular growth coming from contract sales
- MRI Service performing well in Japan, slower in the US
- Significant improvement in business performance from Austin Scientific due to high demand from photovoltaic sector

Sustainability

- Continued improvement in energy efficiency across all sites
- Investment in green technology
- 11.2% reduction in energy consumed as a percentage of sales



Outlook

- Record order book
- Demand likely to remain strong
- Efficiency improvements and currency smoothing traditional bias towards second half trading
- Renewed focus on acquisition targets

“We remain confident in the continued growth prospects of Oxford Instruments and our ability to produce sustained shareholder value.”

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