



# Preliminary Results Announcement

**Jonathan Flint – Chief Executive**  
**Kevin Boyd – Group Finance Director**

**June 14<sup>th</sup> 2011**

## Agenda

- Highlights
- Financial Summary
- Operational Review
- Strategy
- Acquisitions
- Outlook

## Highlights

- Strong performance from both Research and Industrial sectors
- Significant growth in Asia
- Record order intake
- Strong cash generation
- Increase in dividend



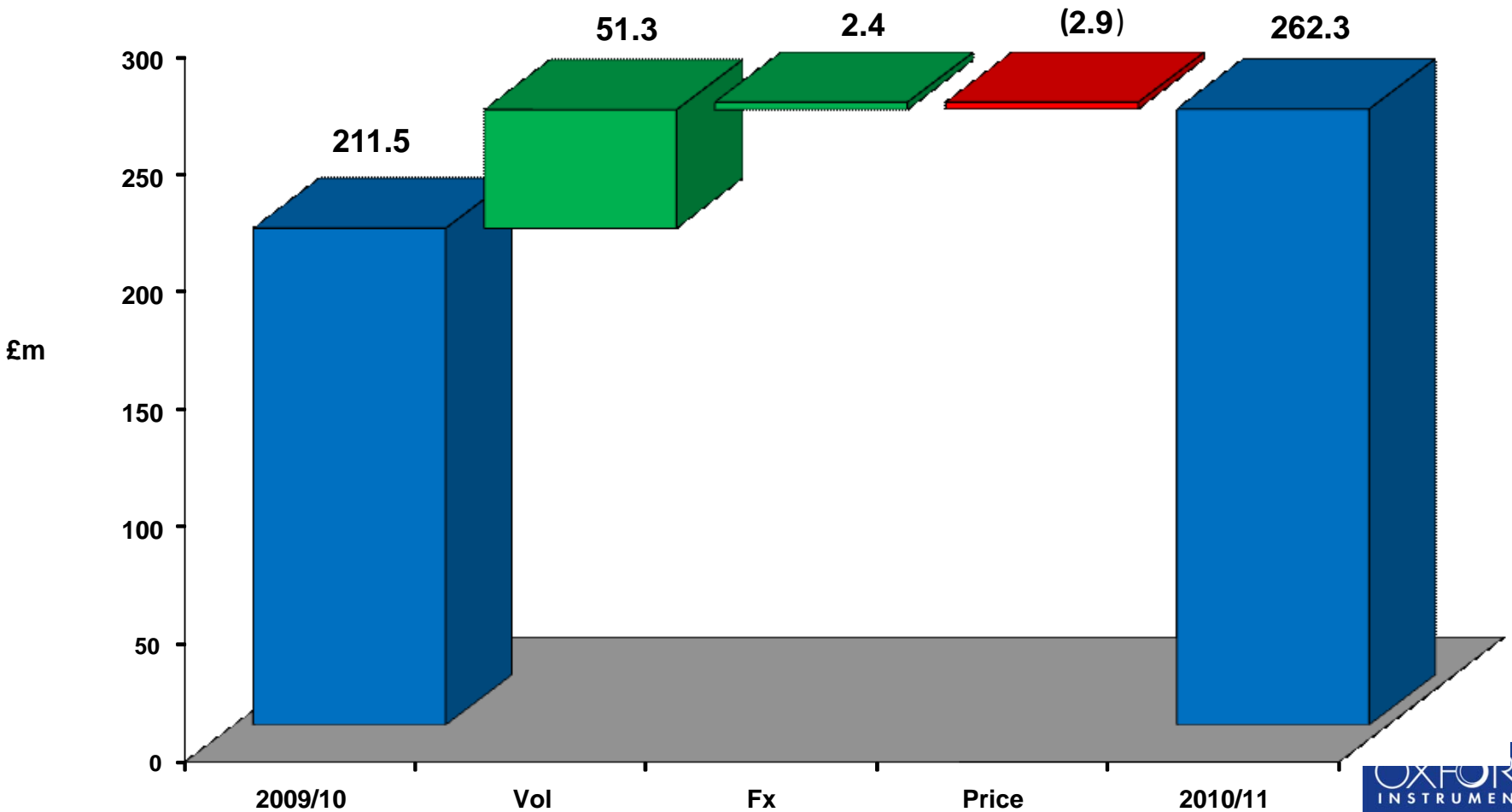
# Financial Review

## Financial Highlights

|                                  | 2010/11 | 2009/10 | Change |
|----------------------------------|---------|---------|--------|
| Orders (£m)                      | 273.5   | 250.0   | 9.4%   |
| Revenues (£m)                    | 262.3   | 211.5   | 24.0%  |
| Trading profit (£m)              | 28.1    | 14.7    | 91.2%  |
| Return On Sales (%)              | 10.7%   | 7.0%    | +3.7pp |
| Adjusted profit before tax (£m)* | 26.2    | 11.9    | 120.2% |
| Adjusted EPS (pence)*            | 41.5    | 17.8    | 133.1% |
| Dividend (pence)                 | 9.0     | 8.4     | 7.1%   |
| <br>                             |         |         |        |
| Net Cash/(Debt) (£m)             | 13.1    | (10.4)  | 23.5   |

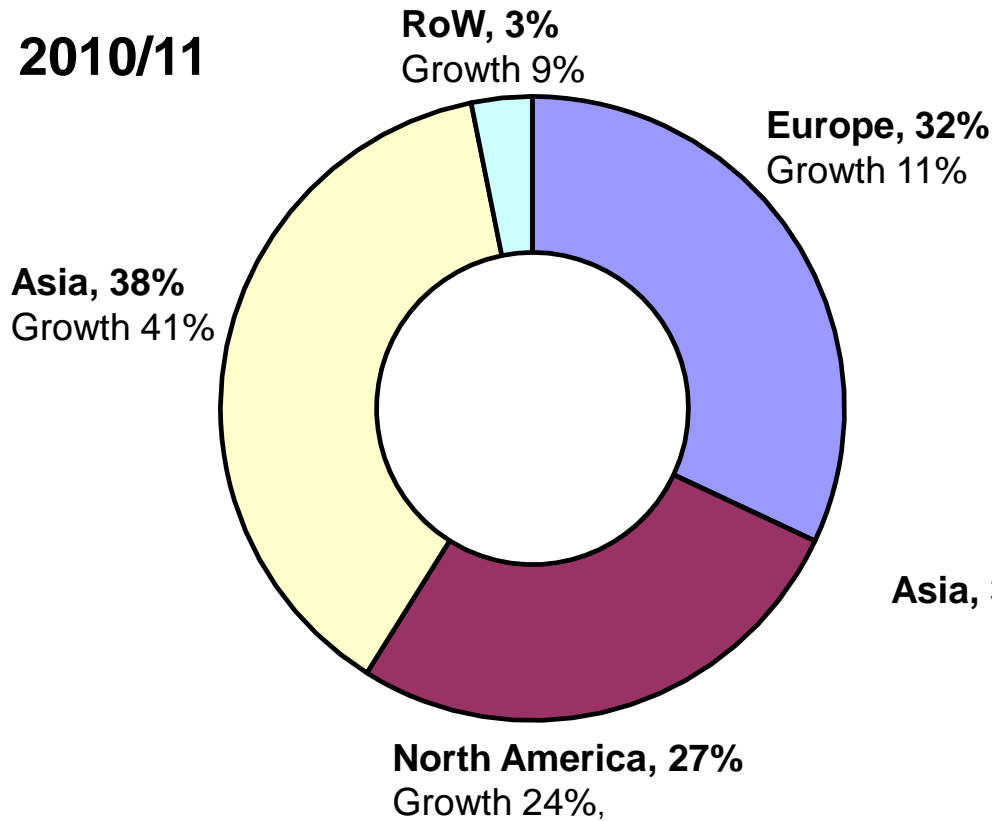
\* Adjusted figures are stated before other operating income, amortisation of acquired intangibles, reorganisation costs, impairments and marking to market of hedging derivatives

## Sales

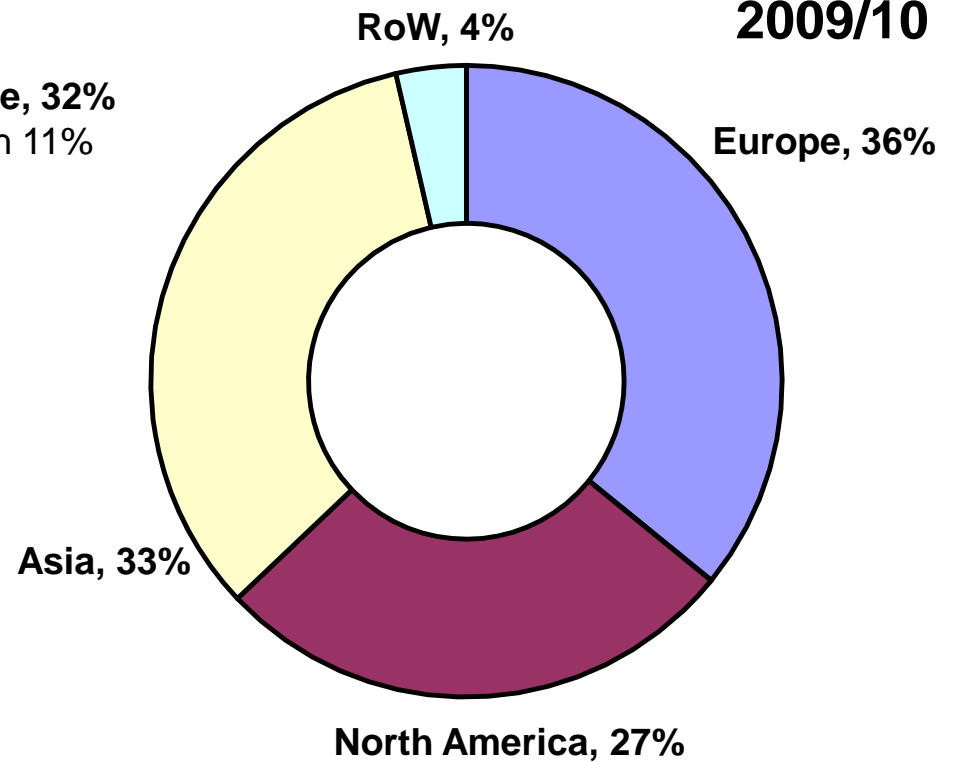


## Sales by Destination

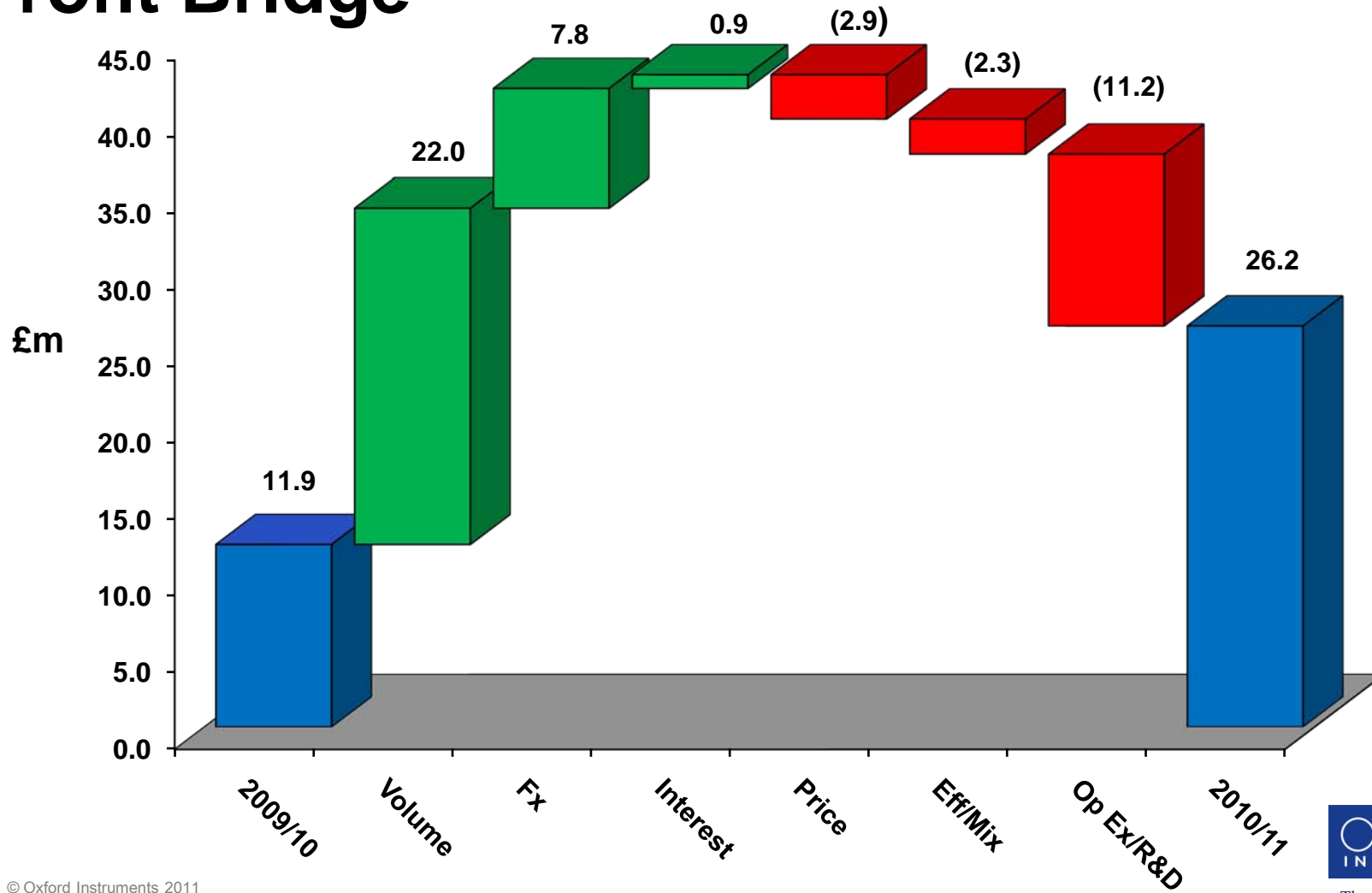
**2010/11**



**2009/10**

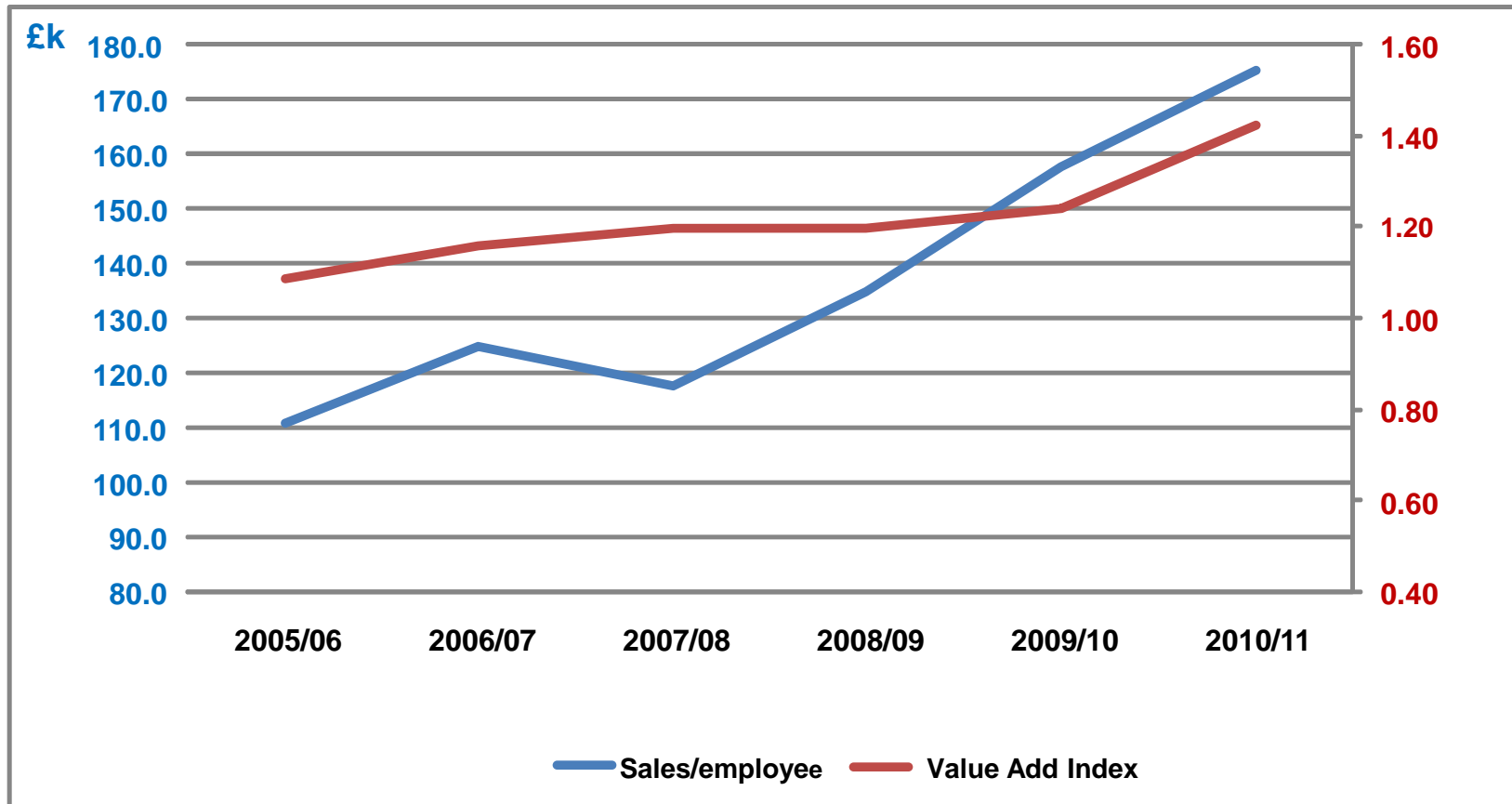


## Profit Bridge



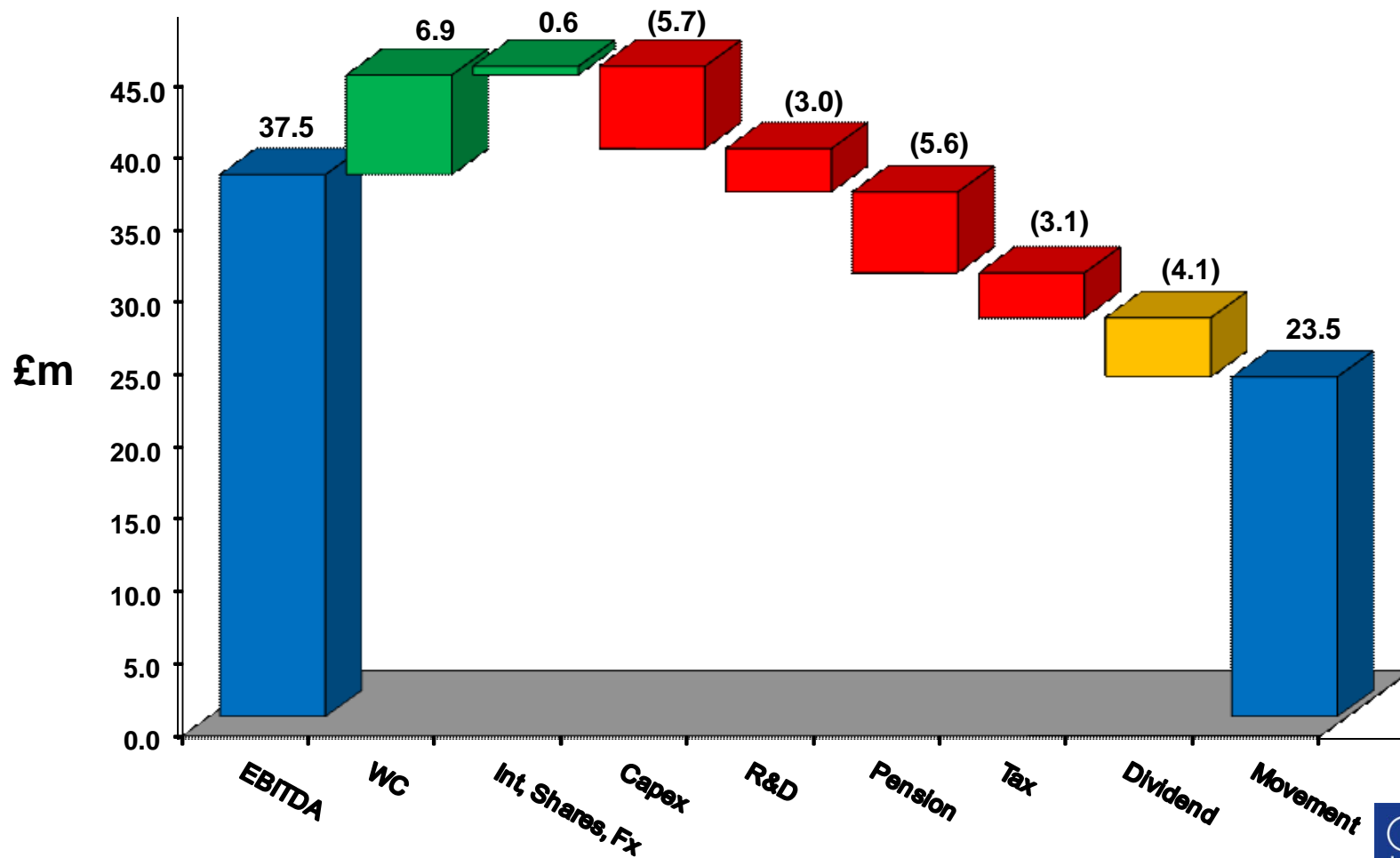


## Efficiency

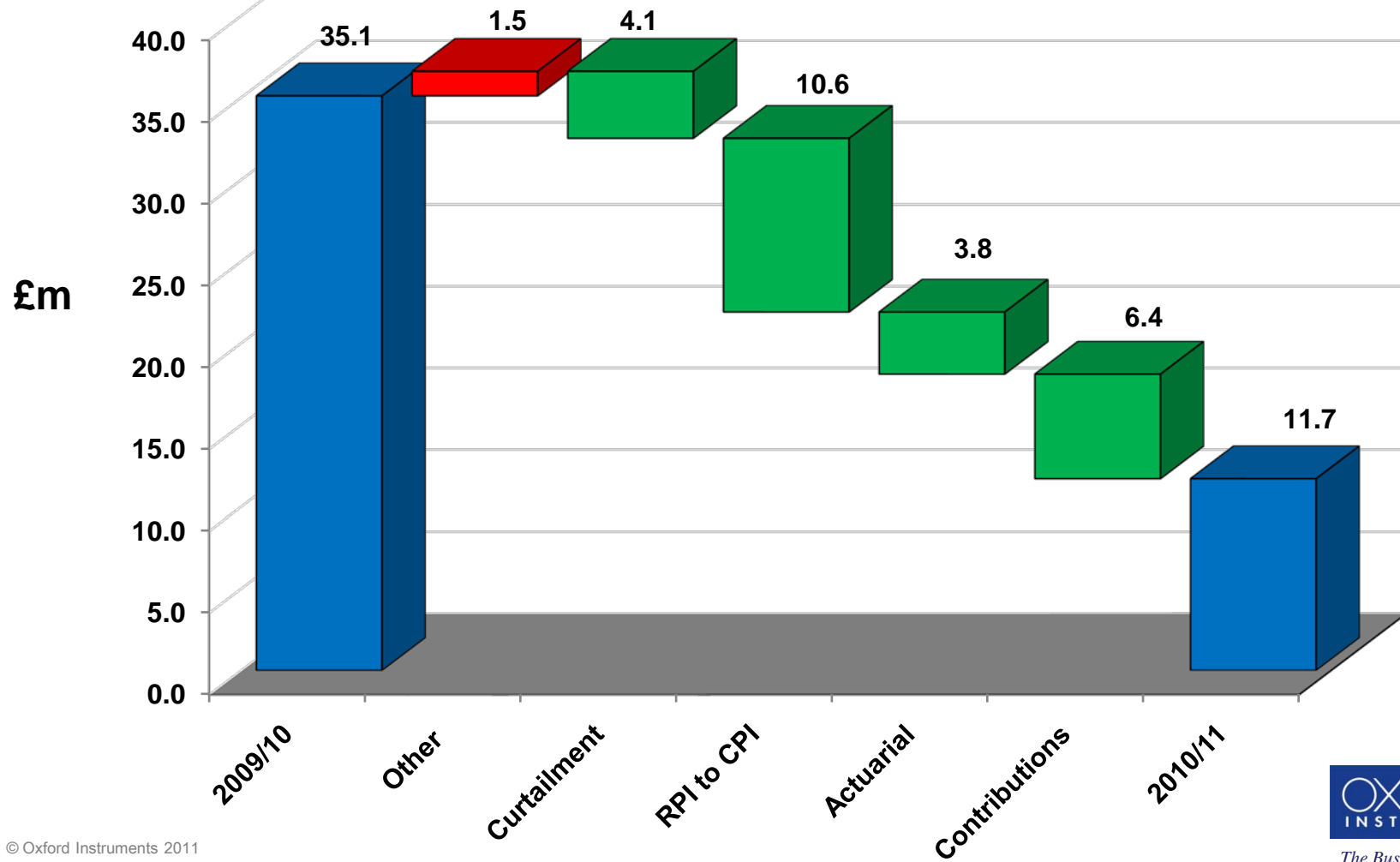


Value Add Index = (Trading Profit + Employment Costs)/Employment Costs

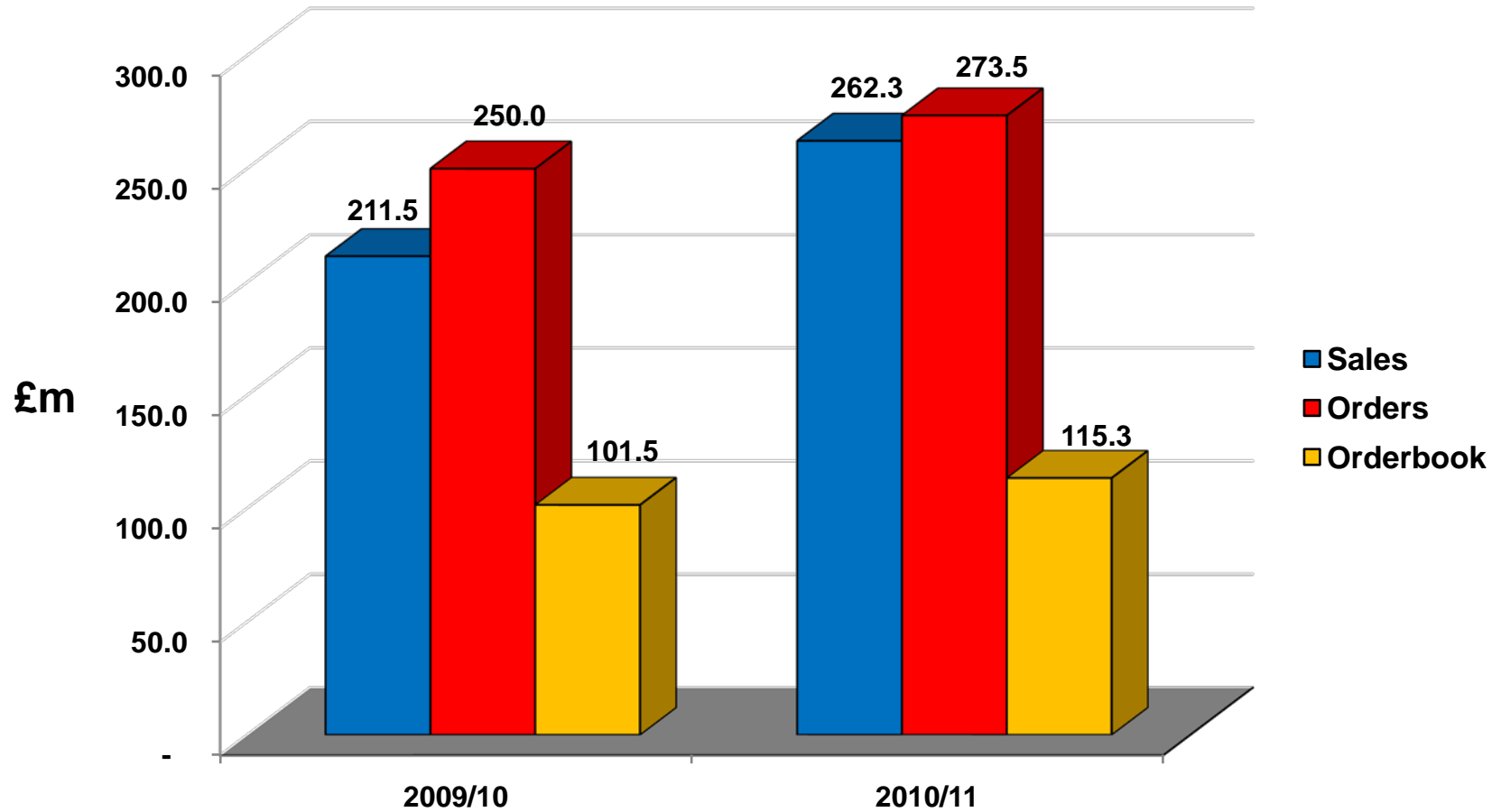
## Cash Flow



## Pension Deficit



## Orderbook



# Operational Review



## Three Business Sectors

|                 | Nanotechnology Tools  |             | Industrial Products  |             | Service  |             |
|-----------------|---|-------------|--|-------------|--|-------------|
|                 | <ul style="list-style-type: none"> <li>•NanoAnalysis</li> <li>•NanoScience</li> <li>•Plasma Technology</li> </ul> |             | <ul style="list-style-type: none"> <li>•Industrial Analysis</li> <li>•Magnetic Resonance</li> <li>•Superconducting Wire</li> </ul> |             | <ul style="list-style-type: none"> <li>•OI Service</li> <li>•Austin Scientific</li> <li>•Service of other 2 sectors</li> </ul> |             |
| £m              | <u>2011</u>   | <u>2010</u> | <u>2011</u>  | <u>2010</u> | <u>2011</u>  | <u>2010</u> |
| Revenue         | 121.4   | 101.5       | 95.6   | 71.0        | 45.3   | 39.0        |
| Trading profit  | 14.6  | 8.2         | 5.9  | 1.0         | 7.6  | 5.5         |
| Return on sales | 12.0%   | 8.1%        | 6.2%   | 1.4%        | 16.8%  | 14.1%       |

## NanoTechnology Tools

High-performance technology products for research and industry

- Strong performance with record orders
- Growth buoyed by demand from nanotechnology sector for nano-characterisation and fabrication tools
- Record growth in China due to investment in sales and service
- Sales of new products exceed expectations



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
INTERNATIONAL TRADE  
2011



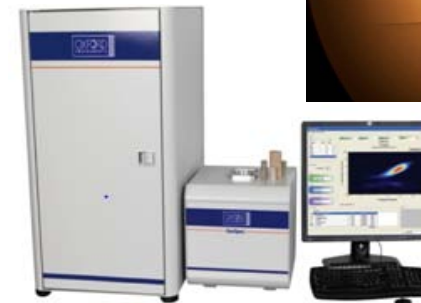
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## Industrial Products

Analytical systems for Quality Control, Environmental and Compliance Testing for industry and research

- Strong performance driven by increased demand in all industrial segments
- Opportunities in emerging markets particularly in steel and metal sectors
- Successful ramp up for ITER
- Significant growth in MRI market
- Growth applications e.g. rock core analysis and rice harvests





## Service

- Reorganisation to focus on Service progressing well
- Strong service orders and sales
- Very strong Austin Scientific sales into semi-conductor and solar market
- Focus on Brand development



# Strategy



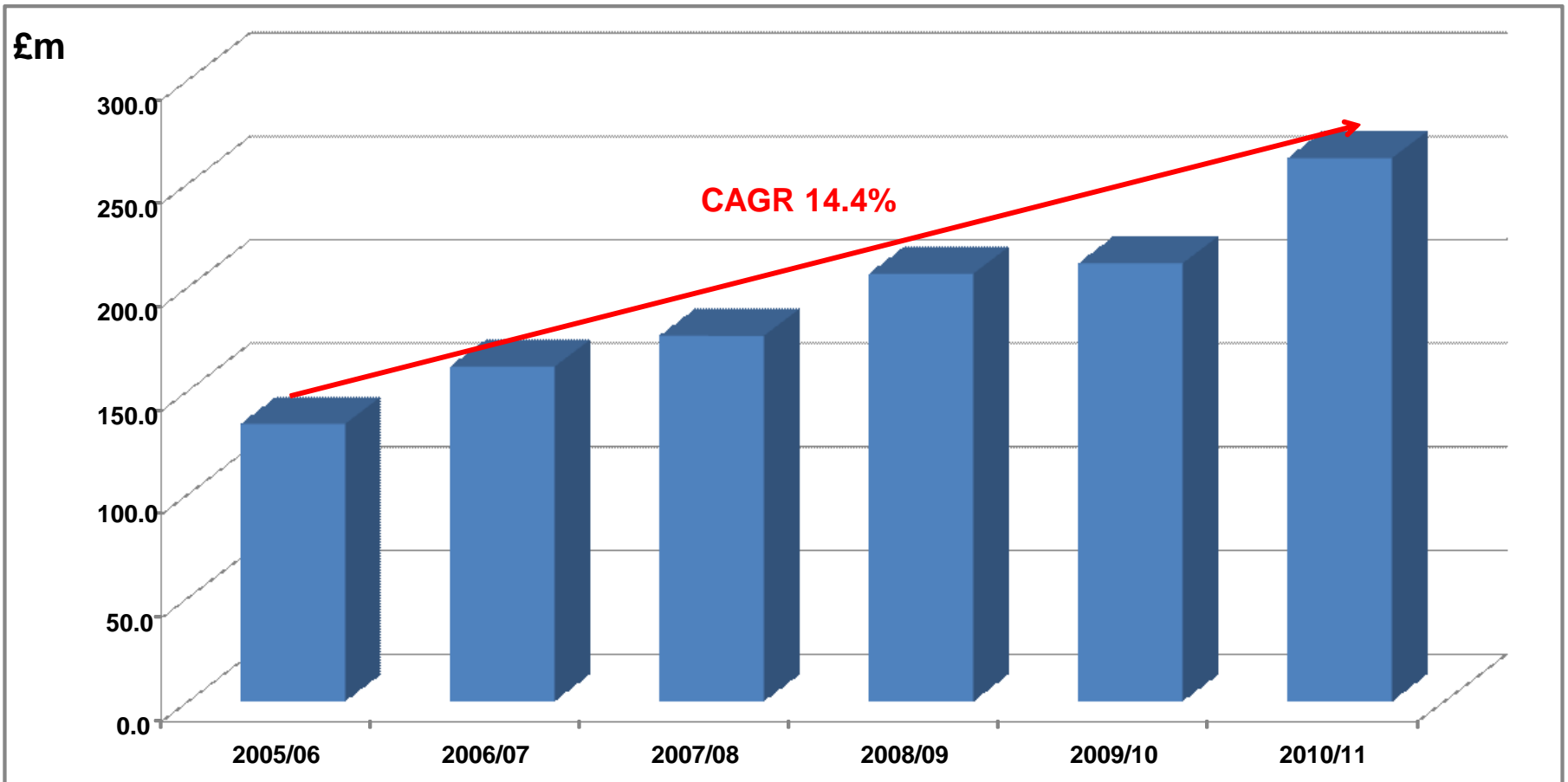
## Culmination of Five Year Plan

- Culture change
- New Product Introduction/R&D
- Efficiency programmes and cash control
- Brand value

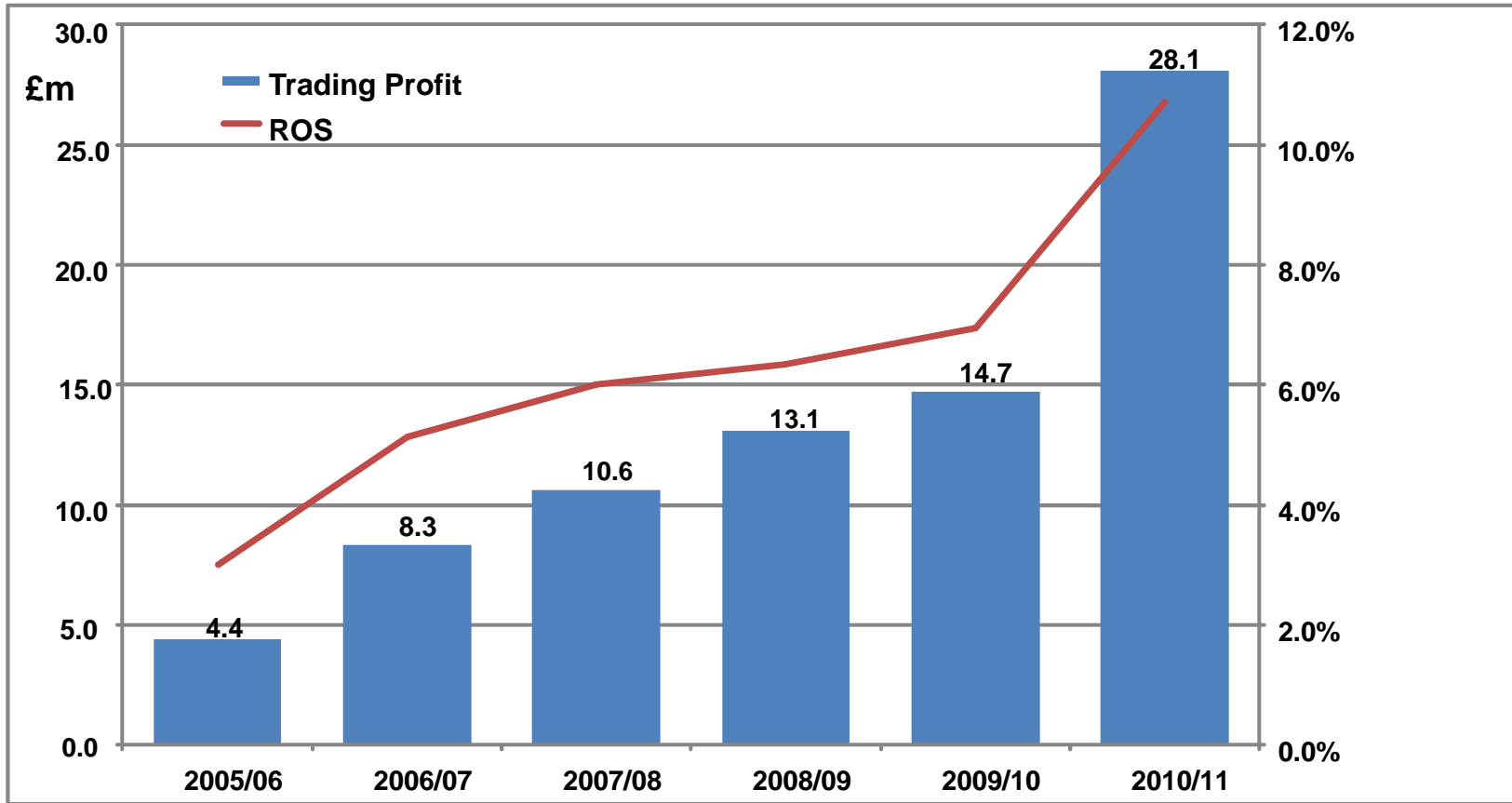
**R&D**  
New product technology, change and the puts the customer market research is



## Five Year Plan - Sales



## Five Year Plan - Trading Profit

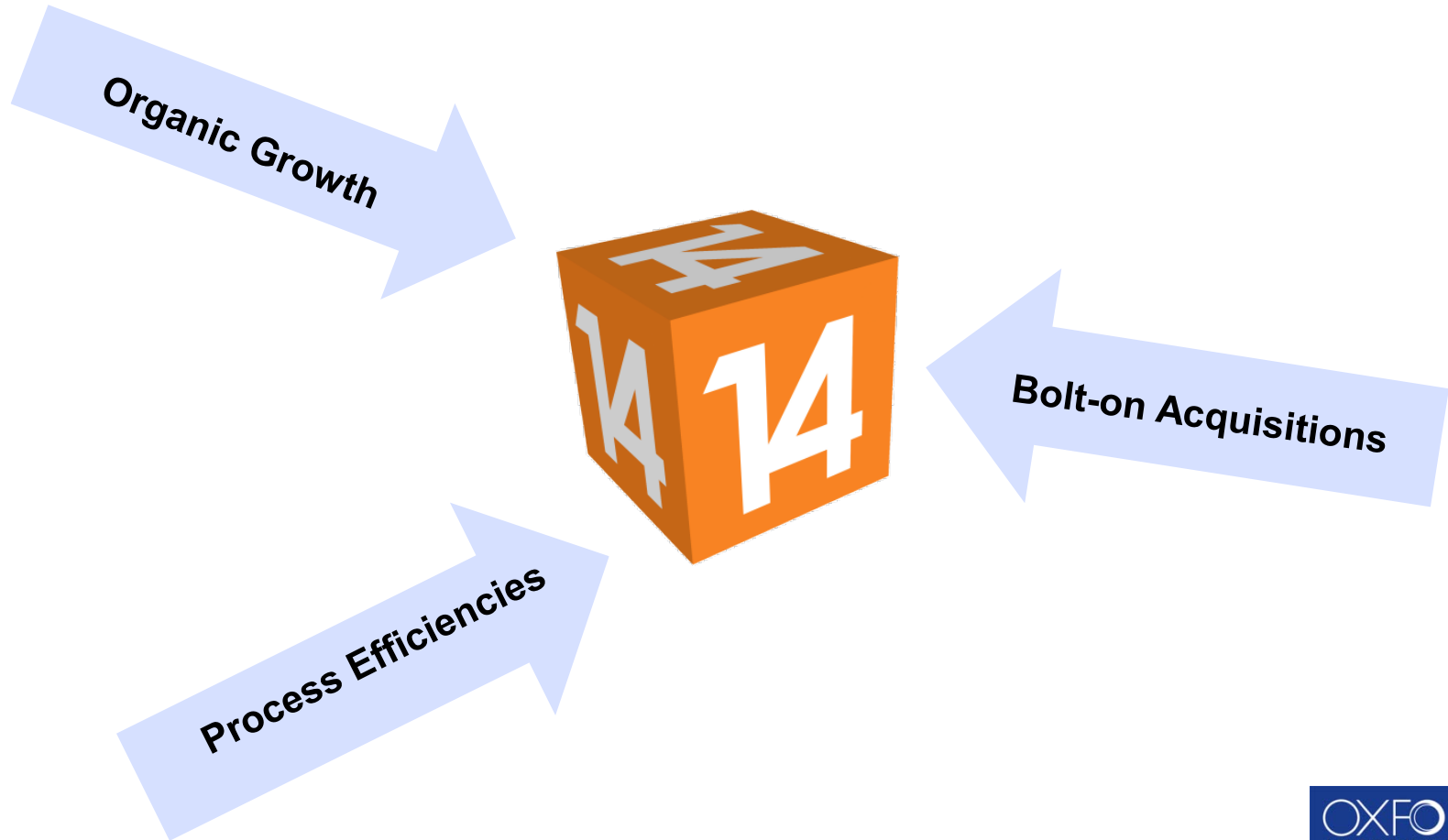


## The *14 Cubed* plan



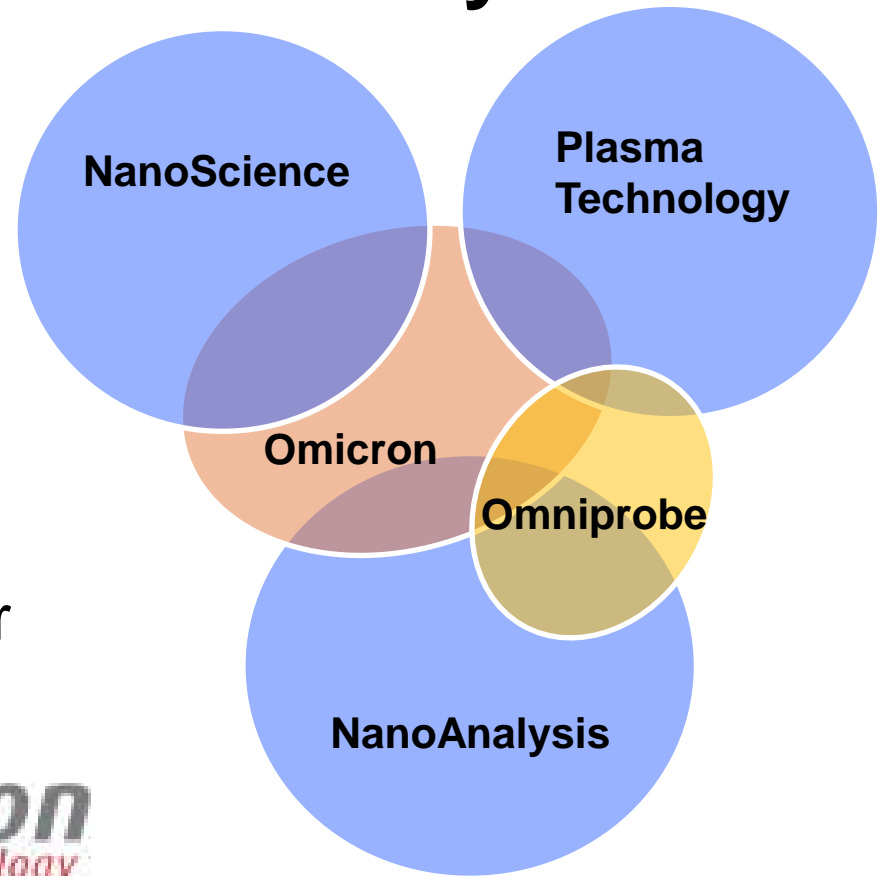
Target compound revenue growth of **14%** and a target return on sales of **14%** by **2014**

# How will the *14 Cubed* plan be achieved?



## Two acquisitions announced today

- Managed as part of Nanotechnology Tools sector
- Shared customer base
- New product opportunities
- An unrivalled capability in Nanotechnology Tools
- EPS enhancing in current year



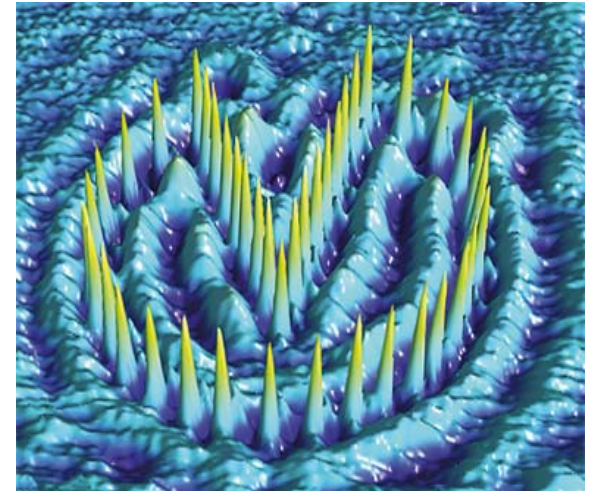
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## Omicron Nanotechnology GmbH

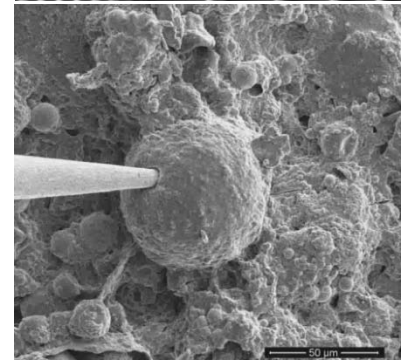
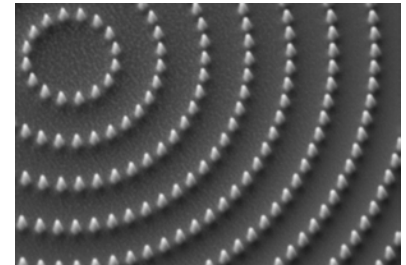
- German based, designs and produces advanced microscopes and chemical analysis instruments for nanotechnology research
- Products used by scientists for research into the properties of materials using ultra high vacuum to ensure extreme sample purity
- Microscopes can image and move individual atoms allowing the observation and manufacture of nanostructures
- Applications include next generation computer storage and processing devices



The Omicron logo written in individual atoms

## Omniprobe, Inc.

- US based, designs and produces tools giving customers nanoscale laboratory capabilities within microscopes
- Customers in research sectors, including nanotechnology and semiconducting devices
- Products enable probing, manipulation, selective deposition and etch, and sample preparation at the nanoscale
- A key application is the use of probes to cut out and remove ultra small pieces of a silicon wafer for quality control testing



## Acquisition Financials

| £m                  | Omicron**   | Omniprobe*** |
|---------------------|-------------|--------------|
| Revenues            | 33.0        | 5.5          |
| Operating Profit    | 2.8         | 1.0          |
| Return on Sales     | 8.5%        | 18.2%        |
| Consideration       | 23.8 + 4.3* | 12.1         |
| Transaction EV/EBIT | 8.5x        | 12.1x        |

\* Purchase of freehold land and buildings valued at £4.3m

\*\* Vendor management accounts y/e 31/12/10 translated at €1.15

\*\*\* Vendor management account for 12 months to 31/3/11 translated at US\$1.65

# Summary and Outlook

- Strong growth and record profitability in 2010/11
- New medium term strategic plan
- Current trading positive
- Increased dividend
- Acquisitions

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