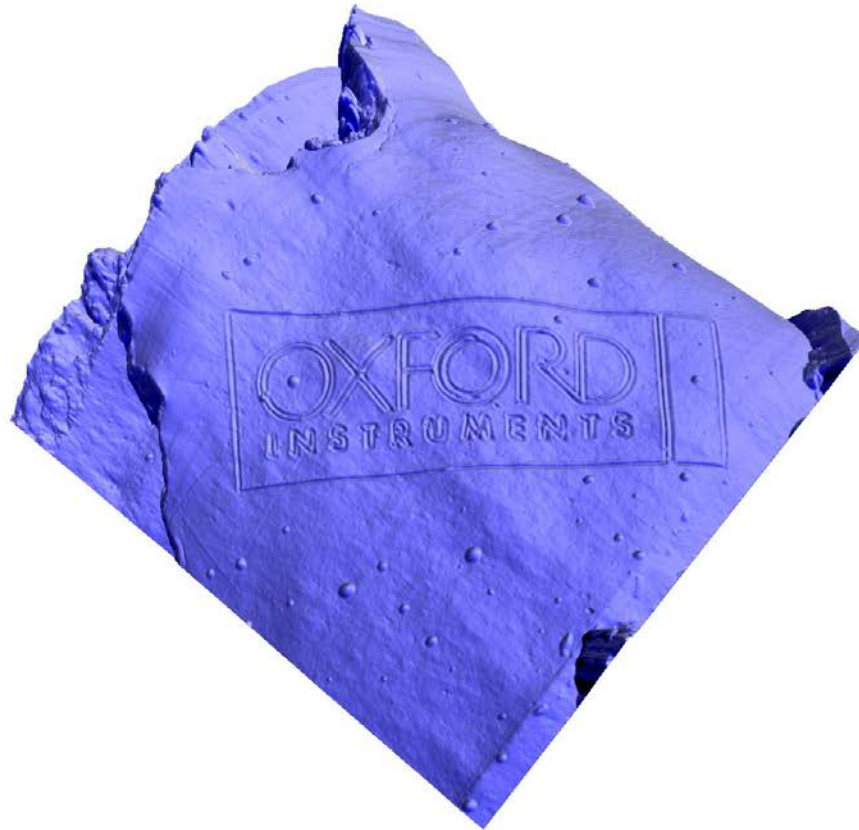


Interim Results Announcement To 30th September 2016



The Business of Science®



Ian Barkshire – Chief Executive
Gavin Hill – Group Finance Director

Agenda

- Highlights
- Financial Review
- Operational Review
- Outlook

- Stable performance in tough markets
- Continued focus on self-help to improve performance
- Improved profitability in NanoTechnology Tools
- Revenue growth in Service offset by reduced refurbished system sales in OI Healthcare
- Increased order book
- Investment in future with R&D up 12%

Financial Review

Gavin Hill

Income Statement



The Business of Science®

£m	HY 2016/17	HY 2015/16	Reported Change	Constant Currency Change
Revenue	171.5	164.8	+4.1%	-6.9%
Adjusted operating profit	19.0	20.0	-5.0%	-13.5%
Net finance costs	(3.3)	(3.7)		
Adjusted profit before tax	15.7	16.3	-3.7%	-14.1%
Amortisation of acquired intangibles	(8.1)	(8.4)		
Non-recurring items and acquisition related costs	(1.7)	(2.6)		
Mark to market of currency hedges	(6.4)	0.8		
(Loss)/profit before tax	(0.5)	6.1		
Continuing adjusted basic earnings per share	21.4p	21.7p	-1.4%	
Dividend per share (interim)	3.7p	3.7p		



Revenue by Sector



The Business of Science®

£m	NanoTechnology Tools	Industrial Products	Service	Total*
2015/16: HY	85.4	46.0	33.9	164.8
Underlying	(4.2)	(6.6)	(0.3)	(11.3)
FX	9.7	4.3	4.1	18.0
2016/17: HY	90.9	43.7	37.7	171.5

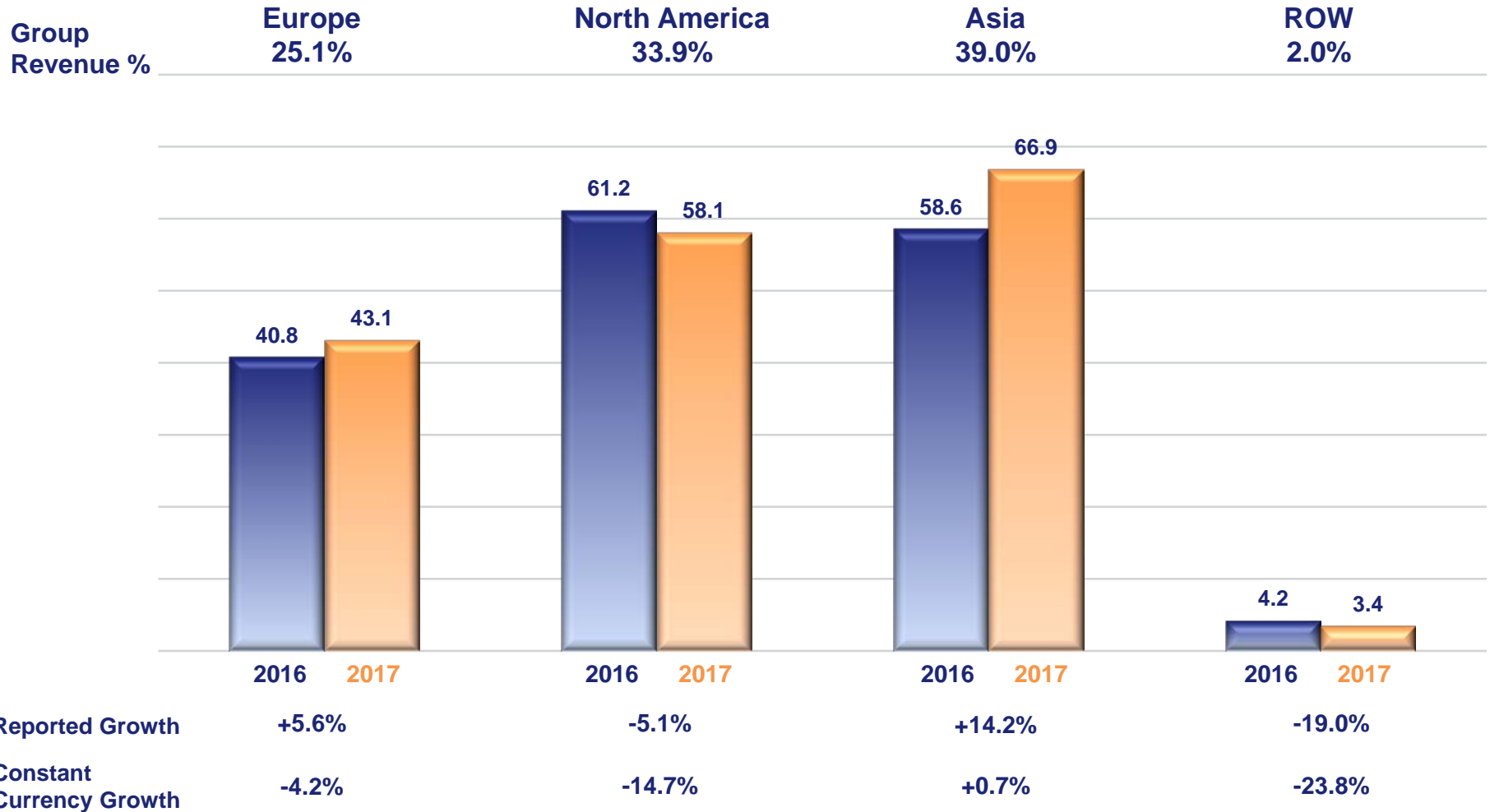
Growth

Reported	+6.4%	-5.0%	+11.2%	+4.1%
Constant currency	-4.9%	-14.3%	-0.9%	-6.9%

*Excluding inter-segment revenues



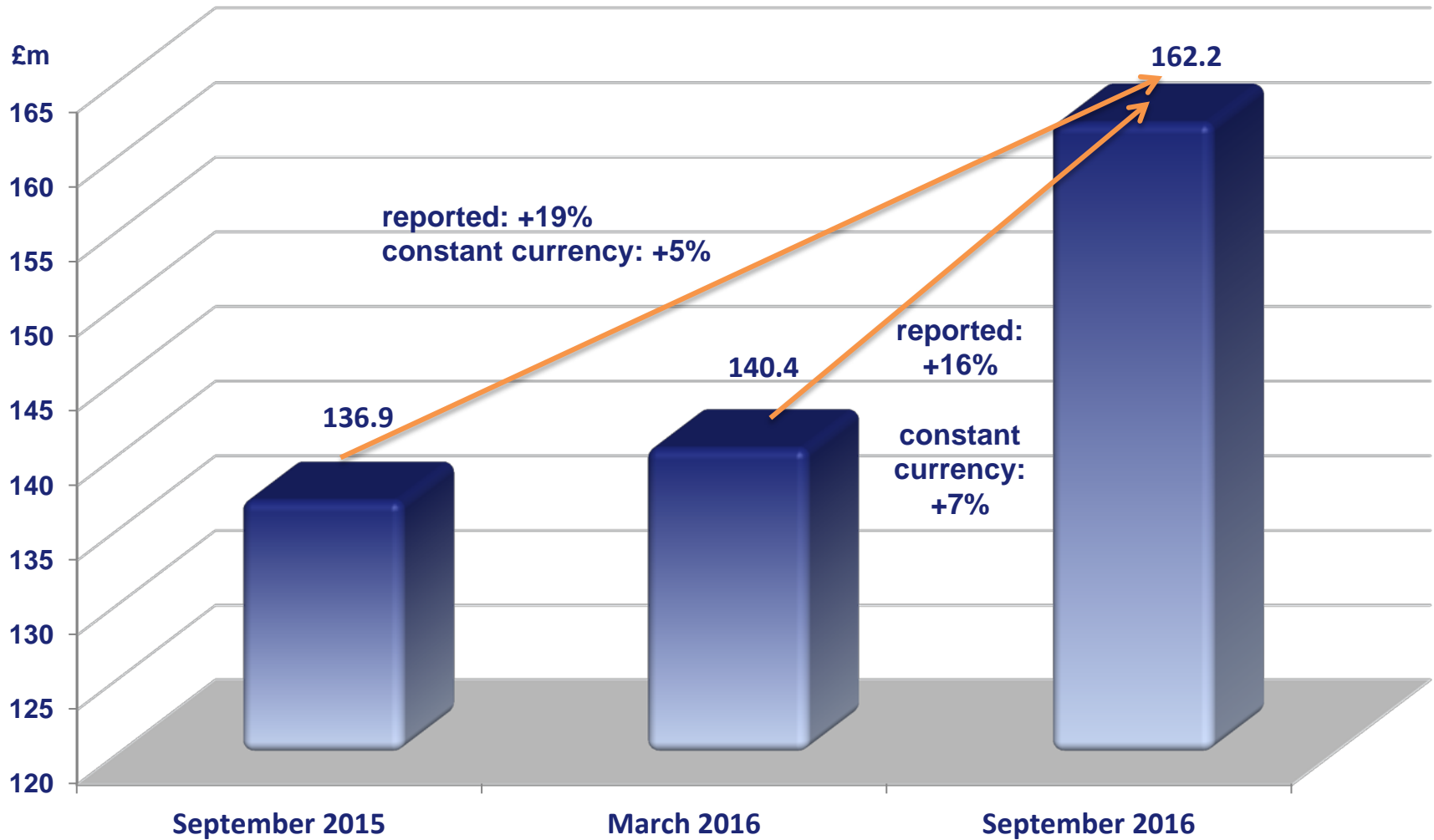
Revenue by Territory



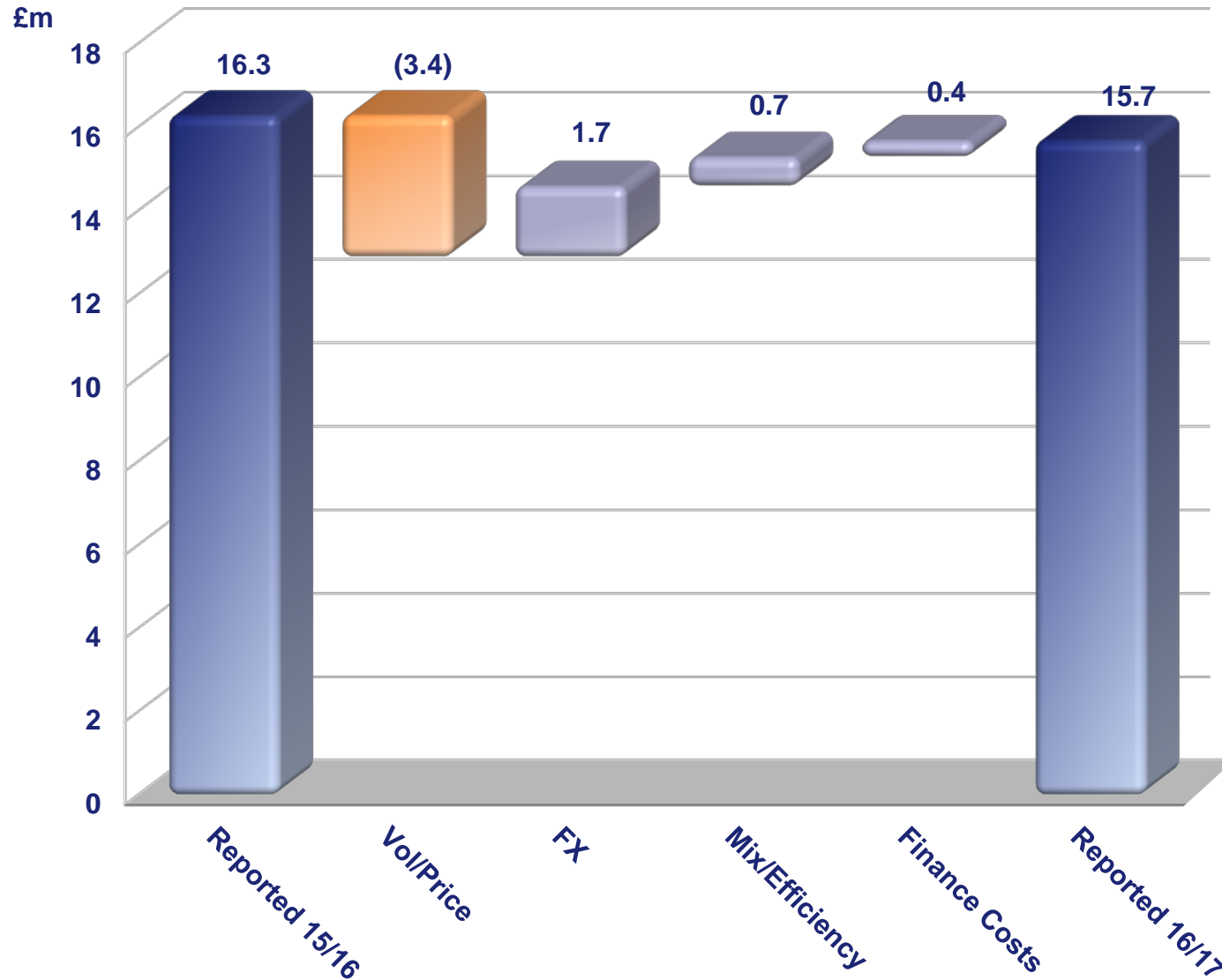
Constant currency growth excludes currency effects; £ in millions



Order Book Growth



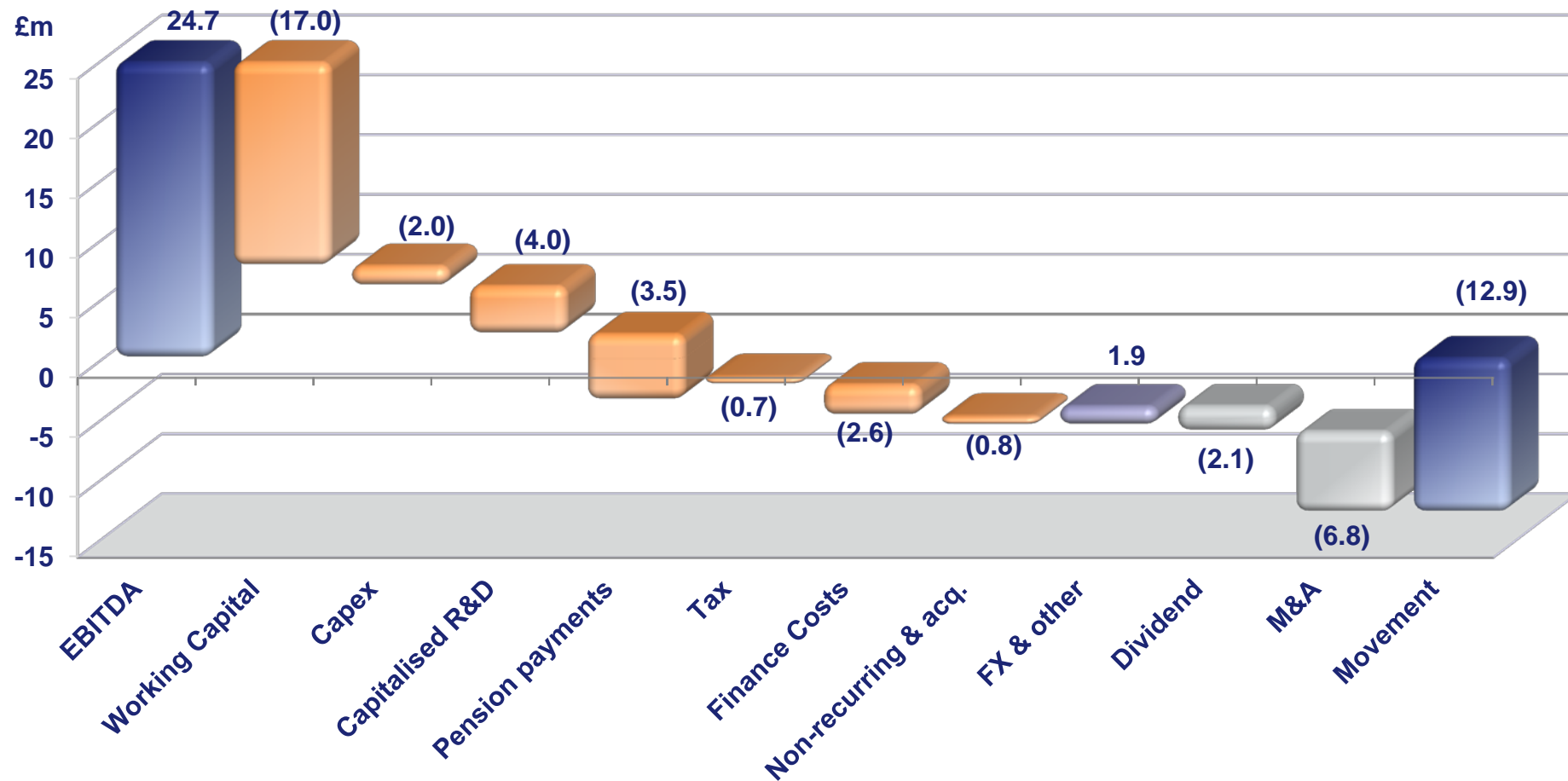
Adjusted PBT Bridge



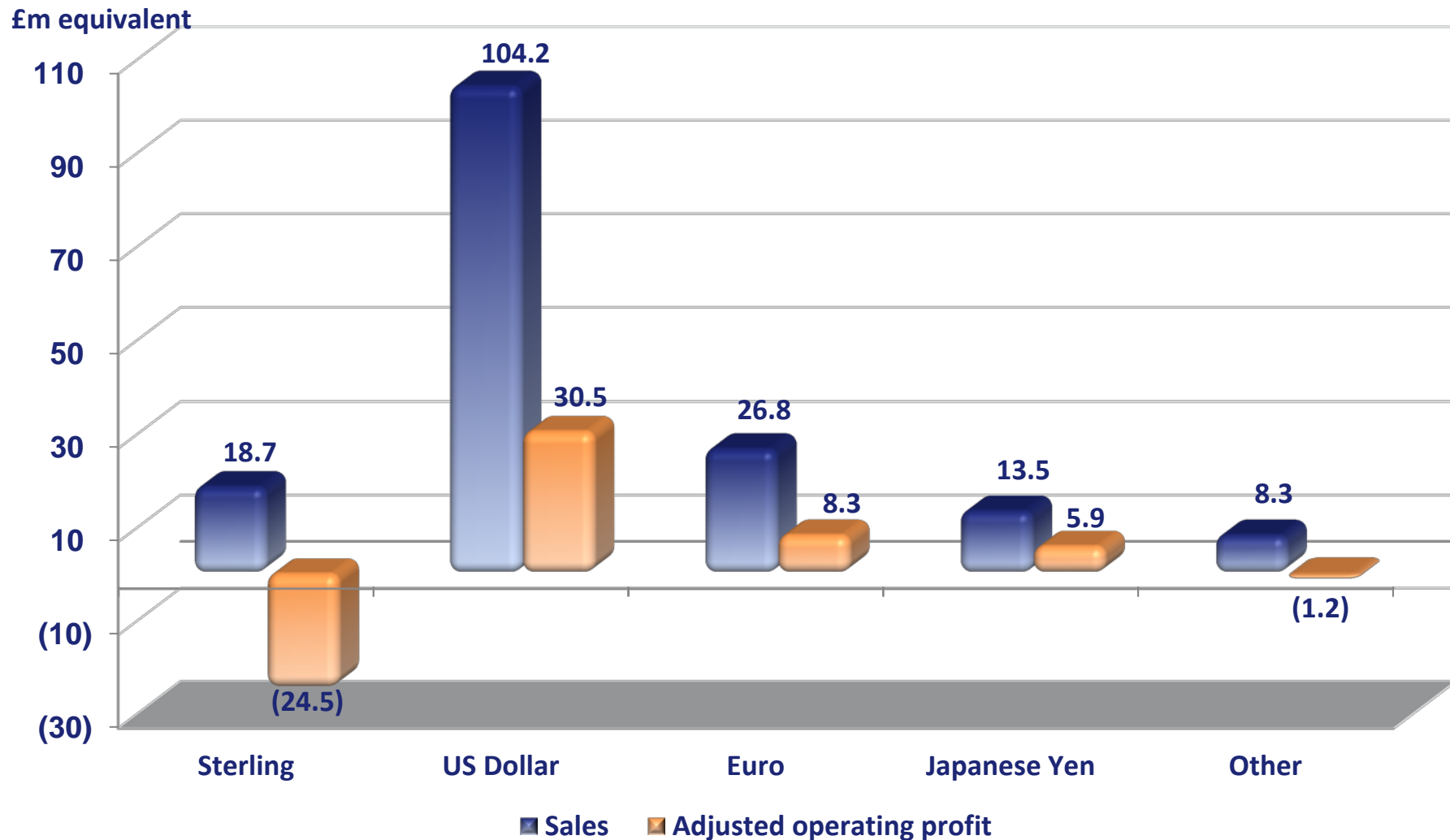
Adjusted Operating Profit by Sector

£m	NanoTechnology Tools	Industrial Products	Service	Total
2015/16: HY	9.5	1.7	8.8	20.0
Underlying	1.3	(0.7)	(3.3)	(2.7)
FX	0.4	0.4	0.9	1.7
2016/17: HY	11.2	1.4	6.4	19.0
EBIT Margin				
2015/16	11.1%	3.7%	26.0%	12.1%
2016/17	12.3%	3.2%	17.0%	11.1%

Movement in Net Debt



Currency Exposure: Translation & Transaction



Operational Review

Ian Barkshire

Business Segments

NanoTechnology Tools



High-performance technology products

- **NanoCharacterisation**
NanoAnalysis
Andor Technology
Asylum Research
- **NanoSolutions**
NanoScience
Plasma Technology
ScientaOmicron JV

53% of revenues

Industrial Products



Analytical instruments and high technology components

- **Industrial Analysis**
- **Industrial Components**
Superconducting Wire
X-ray Technology

25% of revenues

Service



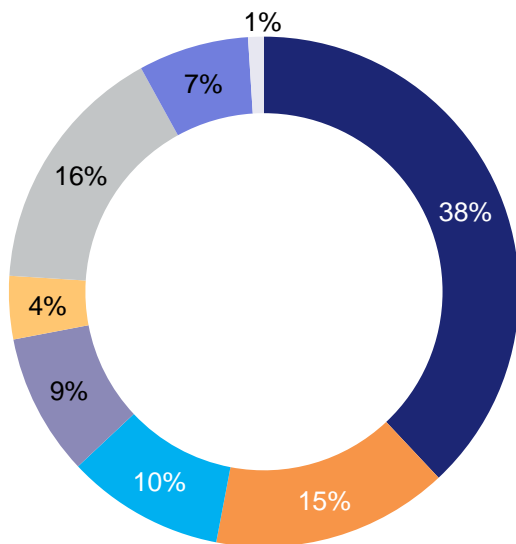
Maintenance, service and support for our product portfolio. Maintenance, sale and rental of refurbished imaging systems

- **OiService - own products**
- **OI Healthcare**

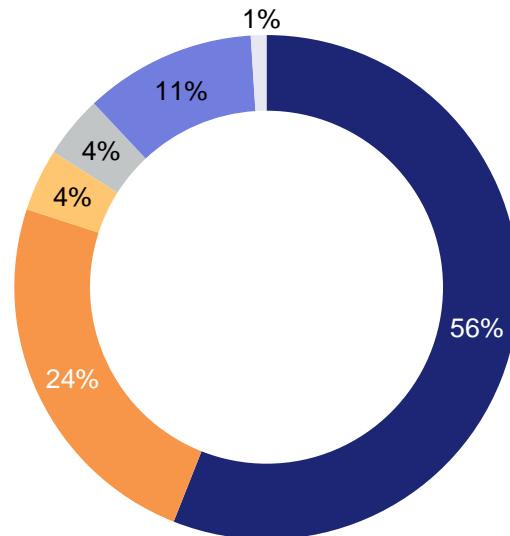
22% of revenues

End Market Segments

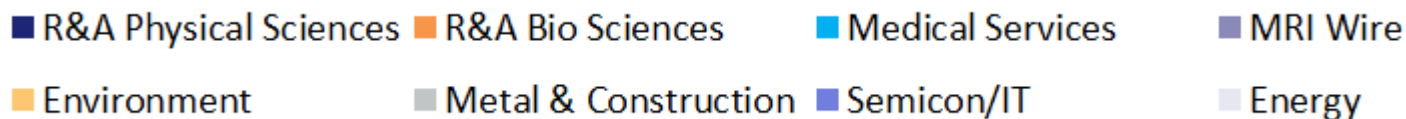
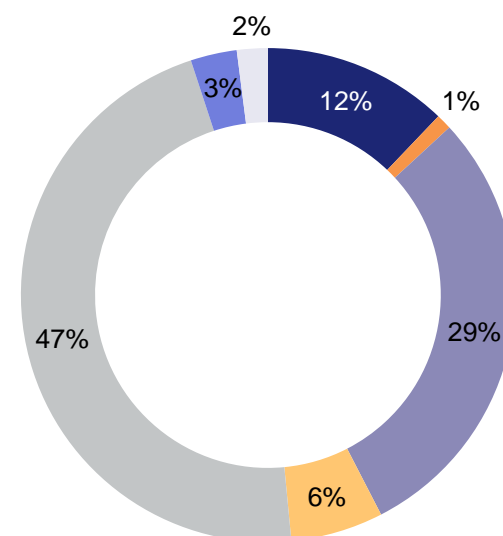
Group



NanoTechnology Tools



Industrial Products



NanoTechnology Tools Performance



The Business of Science®

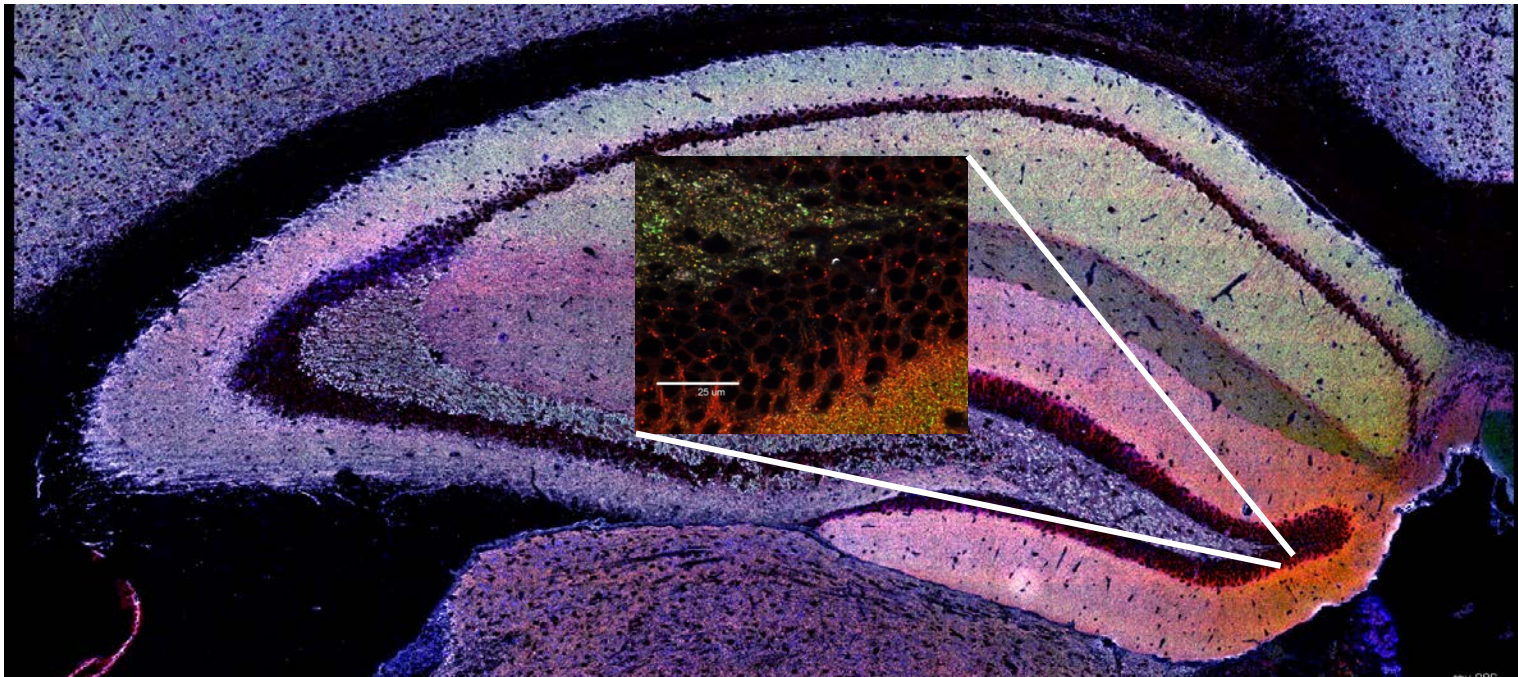
- Improved profitability and margin with growing order book
- NanoAnalysis continues to deliver strong technical and financial performance
- Further growth and improved performance from Andor
- Reduced US and EU research funding impacted Asylum Research
- Good progress in Plasma Technology
- NanoScience growth supported by quantum technology funding
- ScientaOmicron JV performing in line with expectations



NanoTechnology Tools Progress

Andor Technology: Producing solutions that offer advanced life science imaging

- Dragonfly - unprecedented image performance, resolution, sensitivity



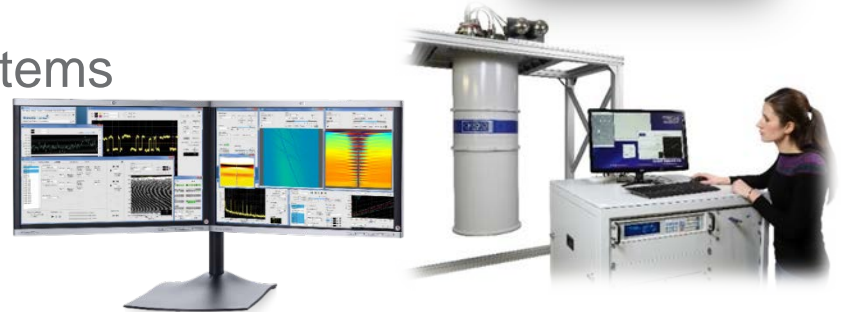
NanoAnalysis: Creating value for customers with application specific solutions

- AZtecClean – automotive industry
- AZtec HPA – hard disk drives



NanoScience

- Increased sales of next generation Triton system
- Move towards integrated measurement and analysis systems
- Increased productivity



- Revenue down due to challenging end markets
- Better operating profits through business improvements offset by reduced demand for MRI wire
- New product launches and improved routes to market gaining traction in Industrial Analysis; margin improvements through ongoing self-help
- Superconducting Wire completed a major MRI contract with an OEM and renegotiated the continuation of a supply agreement with another MRI customer
- Broadening market applications in XT, continued impact from softening in customers' end markets

- Pulsar sales growth driven by broader industrial customer solutions and academic demand



- Innovative Hero™ window enables characterisation of hot metals, improving customer productivity



- Increased order book across our Service portfolio
- Growth in Service revenues from our NanoTechnology Tools and Industrial Products businesses
- Reduction in revenue and operating profit from OI Healthcare due to lower volume of refurbished system sales

Service Progress

- Expanding range of services
 - New webstores in USA, Europe, China
 - Microscopy consumables
 - Online booking for seminars
 - Online support documentation
 - Remote system monitoring



Delivering Sustainable Growth



The Business of Science®

- Customer and market focus
- Innovation and new product development
- Delivering enhanced product solutions
- Delivering operational excellence



- Revenue and order book ahead of last year
- Full year performance expected to be in line with last year
- Anticipate currency benefit of approximately £7.0 million to operating profit in 2017/18
- Confidence in long term growth prospects through commercial exploitation of nanotechnology
- Continued focus on self-help to improve performance



Questions?

This presentation is prepared for and addressed to authorised persons within the meaning of the Financial Services and Markets Act 2000 (FSMA). The information contained in this presentation is not for publication, distribution or reproduction, in whole or in part, to any persons outside the jurisdiction of this Act. The Company, its Directors, employees, agents or advisers do not accept or assume responsibility to any other person to whom this presentation is shown or into whose hands it may come and any such responsibility or liability is expressly disclaimed.

Statements contained in this presentation are based on the knowledge and information available to the Company's Directors at the date it was prepared and therefore the facts stated and views expressed may change after that date. By their nature, any statements concerning the risks and uncertainties facing the Company in this presentation involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. To the extent that this presentation contains any statement dealing with any time after the date of its preparation such statement is merely predictive and speculative as it relates to events and circumstances which are yet to occur. The Company undertakes no obligation to update these forward-looking statements.

The information in this presentation shall not constitute or be deemed to constitute any offer or invitation to invest in or otherwise deal in shares or other securities of Oxford Instruments plc.

All information in the presentation is the property of Oxford Instruments plc.