



Oxford Instruments plc
Half Year Results
15th November 2011

- Highlights
- Financial Review
- Strategy
- Operations
- Outlook

- Strong first half performance
- Research and Industrial markets robust
- Two acquisitions in first half
- Further acquisition and disposal since period end
- Dividend increased by 10%
- Entered FTSE250 September 2011
- *14 Cubed* plan on track



Financial Review

Kevin Boyd
Group Finance Director

Financial Highlights

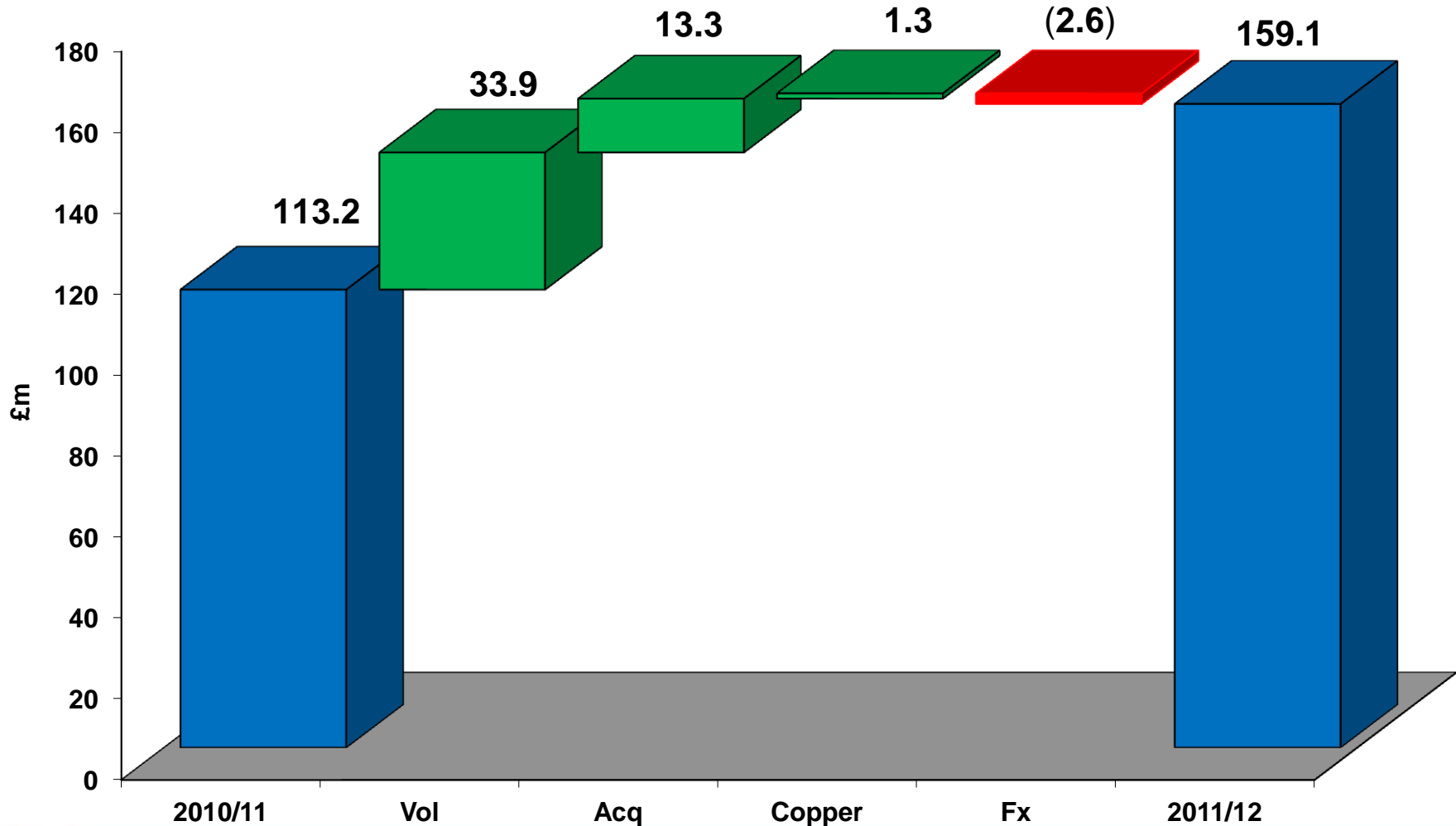
	2011/12	2010/11	Change
Orders (£m)	174.8	141.3	23.7%
Revenues (£m)	159.1	113.2	40.5%
Adjusted operating profit (£m)*	18.9	11.9	58.8%
Return On Sales (%)	11.9%	10.5%	+1.4pp
Adjusted profit before tax (£m)*	18.7	10.6	76.4%
Adjusted EPS (pence)*	28.2	17.4	62.1%
Dividend (pence)	2.77	2.52	10%
Net Cash/(Debt) (£m)	11.9	(3.9)	15.8

* Adjusting items comprise pension scheme curtailment gains, shareholder earn-out no longer required, impairments, amortisation of acquired intangibles, reversal of acquisition related fair value adjustments to inventory, acquisition costs and mark to market gains or losses in respect of certain derivatives and the related amounts of taxation. They also include the utilisation of the one-off recognition of a deferred tax asset in 2011.

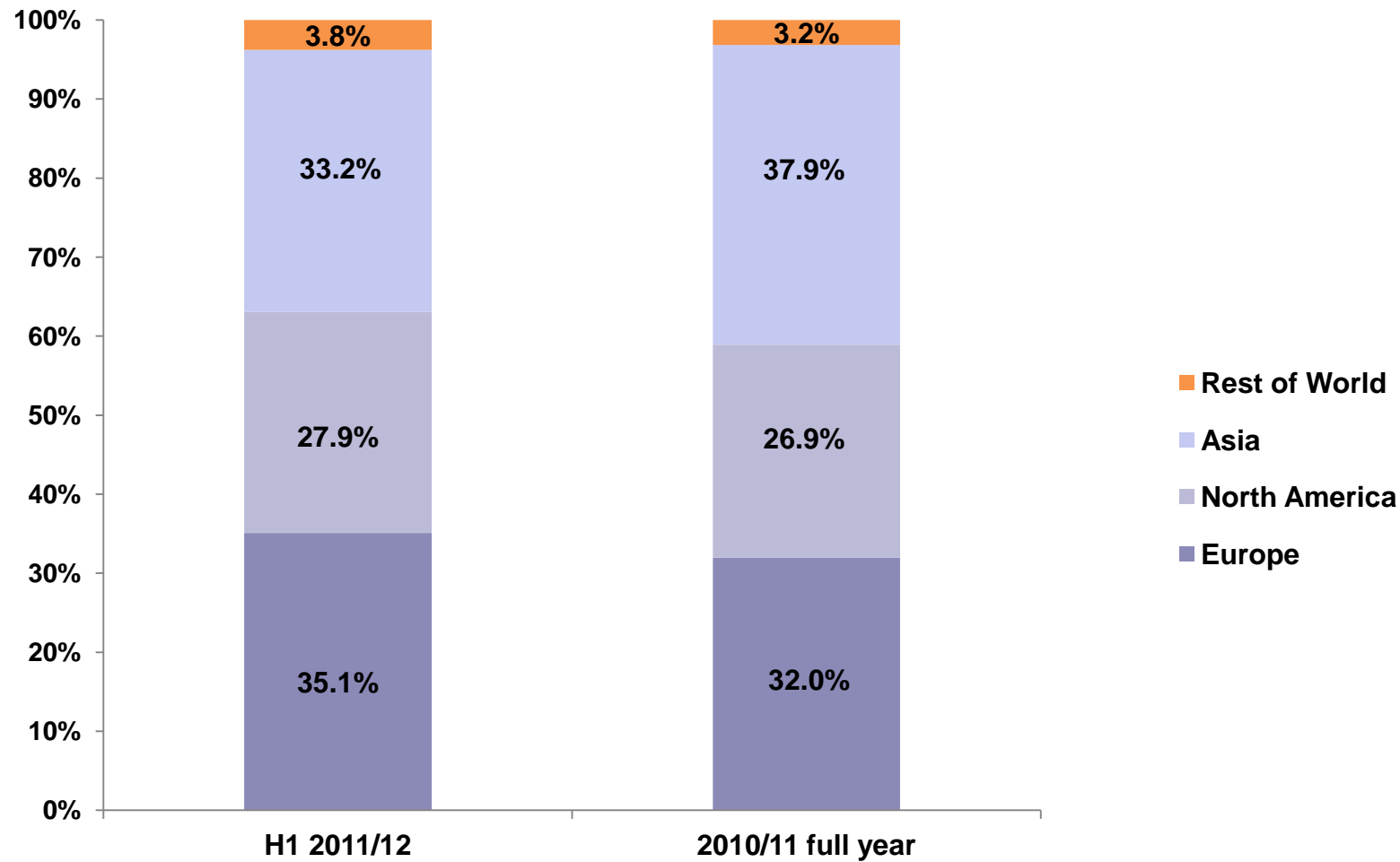
Segment Split

	Nanotechnology Tools		Industrial Products		Service		Total	
	2011/12 £m	2010/11 £m	2011/12 £m	2010/11 £m	2011/12 £m	2010/11 £m	2011/12 £m	2010/11 £m
External revenue	70.0	49.0	64.2	43.3	24.9	20.9	159.1	113.2
Inter-segment revenue	0.4	0.2	0.5	1.0				
Segment revenue	70.4	49.2	64.7	44.3	24.9	20.9		
Operating profit	7.3	5.8	6.6	2.0	5.0	4.1	18.9	11.9
Return on sales	10.4%	11.8%	10.2%	4.5%	20.1%	19.6%	11.9%	10.5%

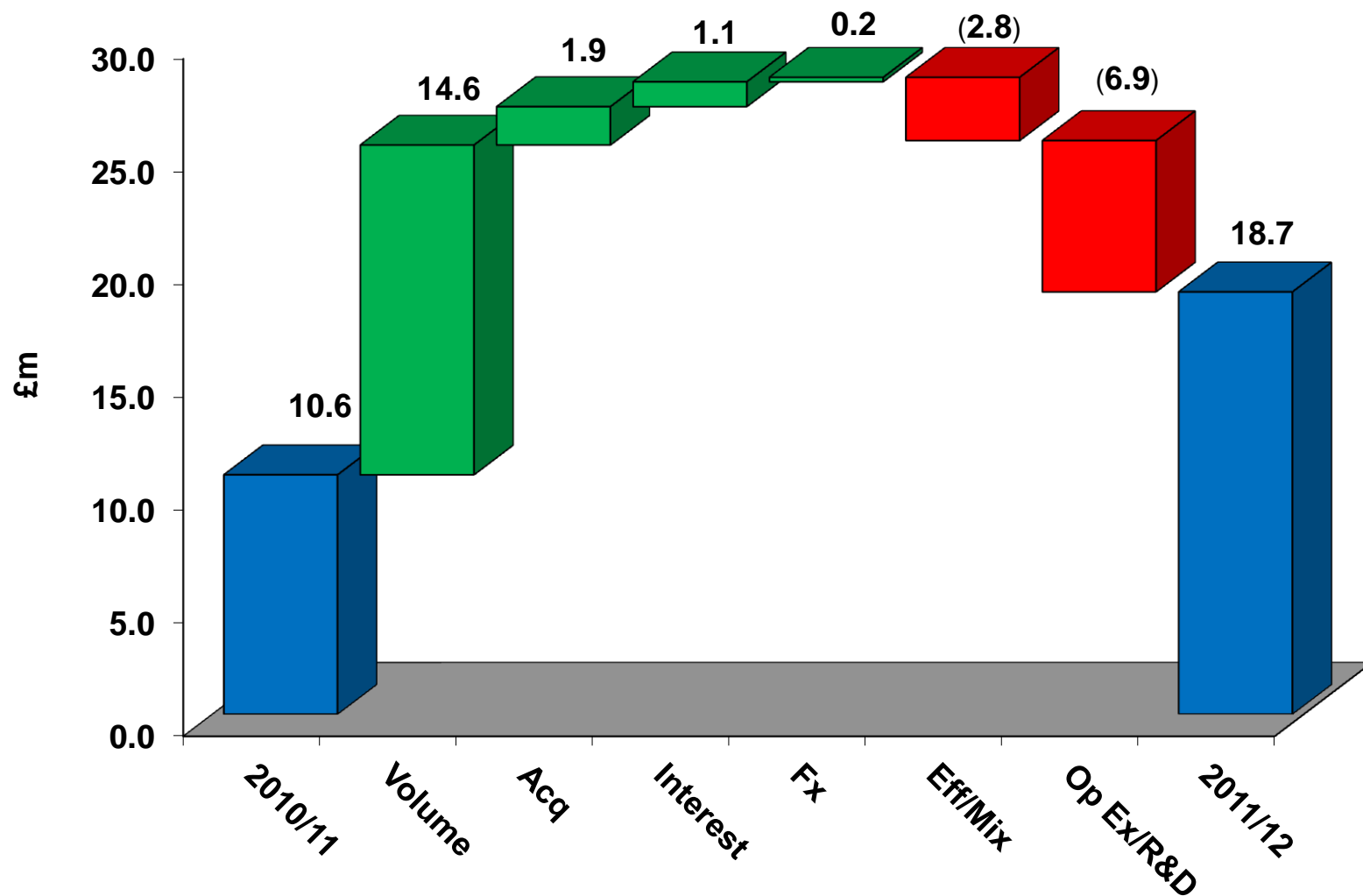
Sales Bridge



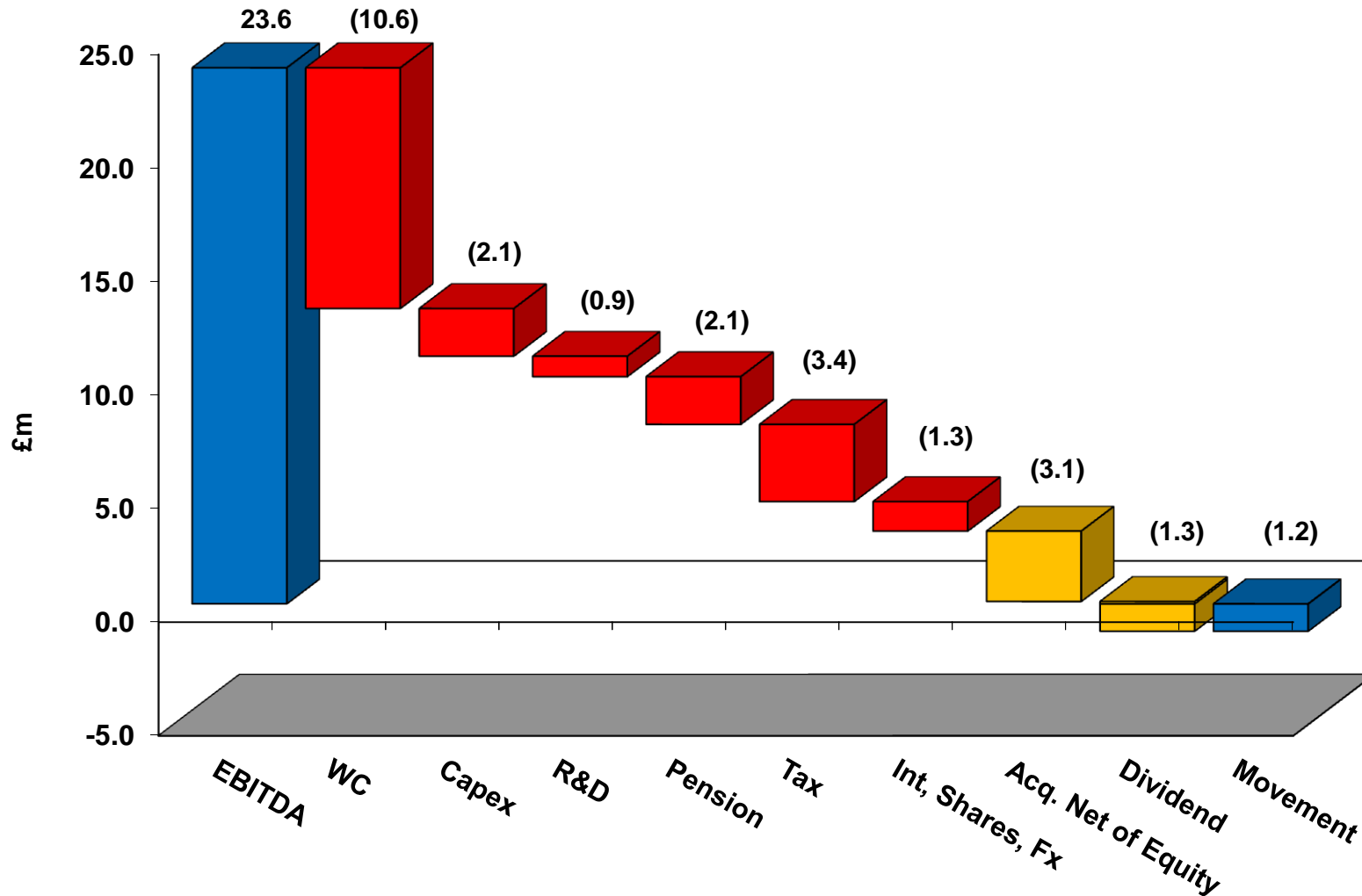
Sales by Destination

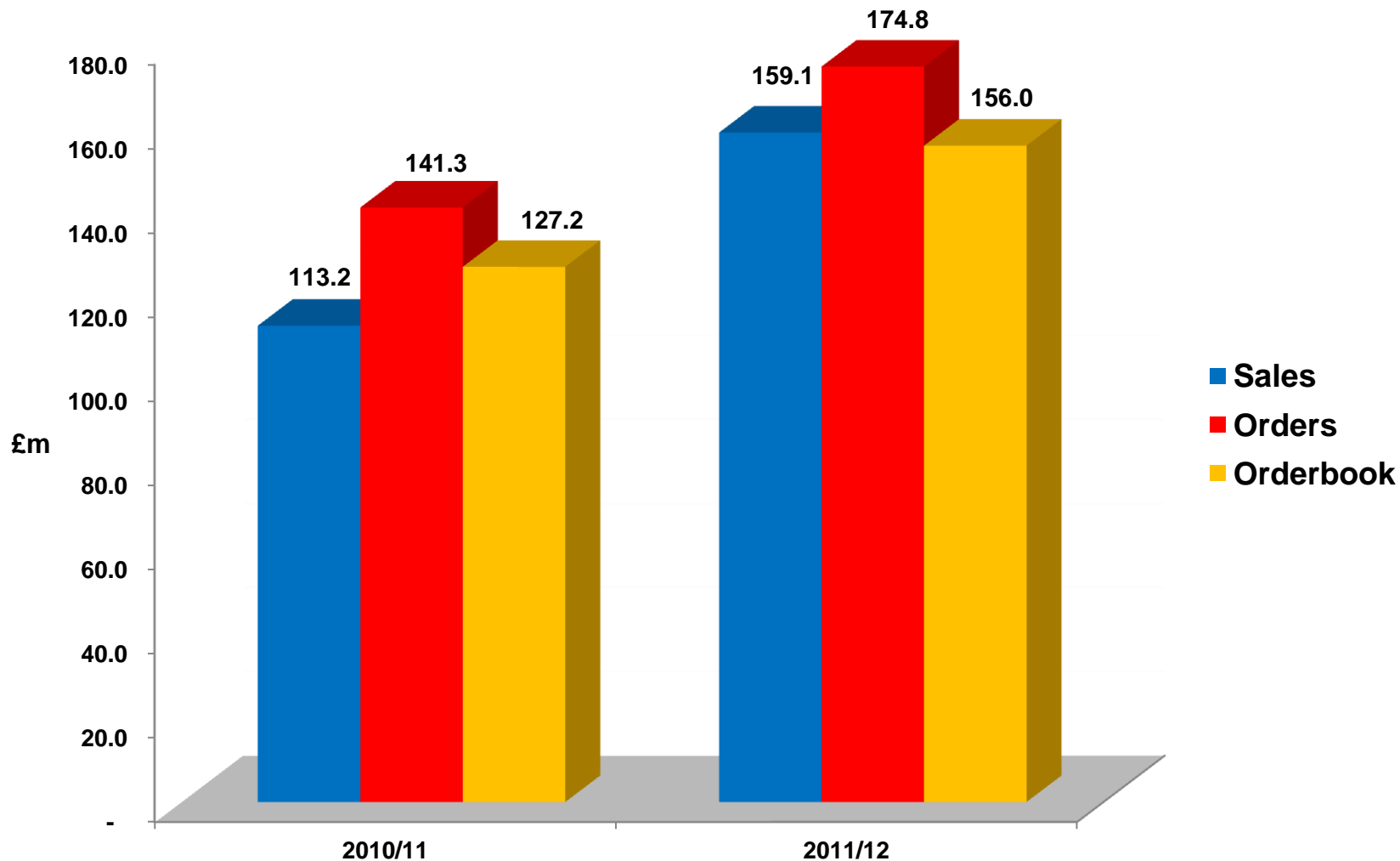


Profit Bridge

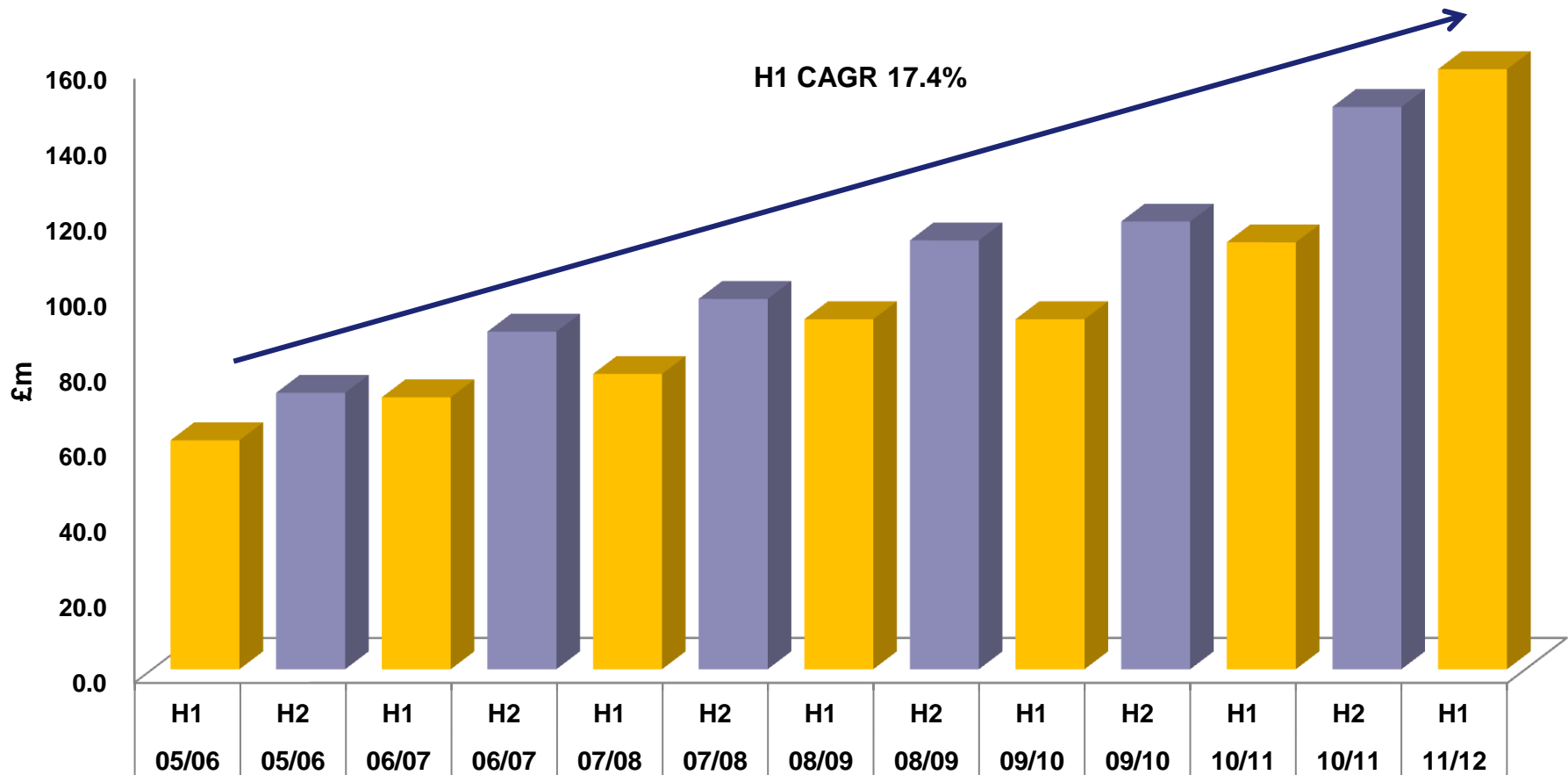


Cash Flow

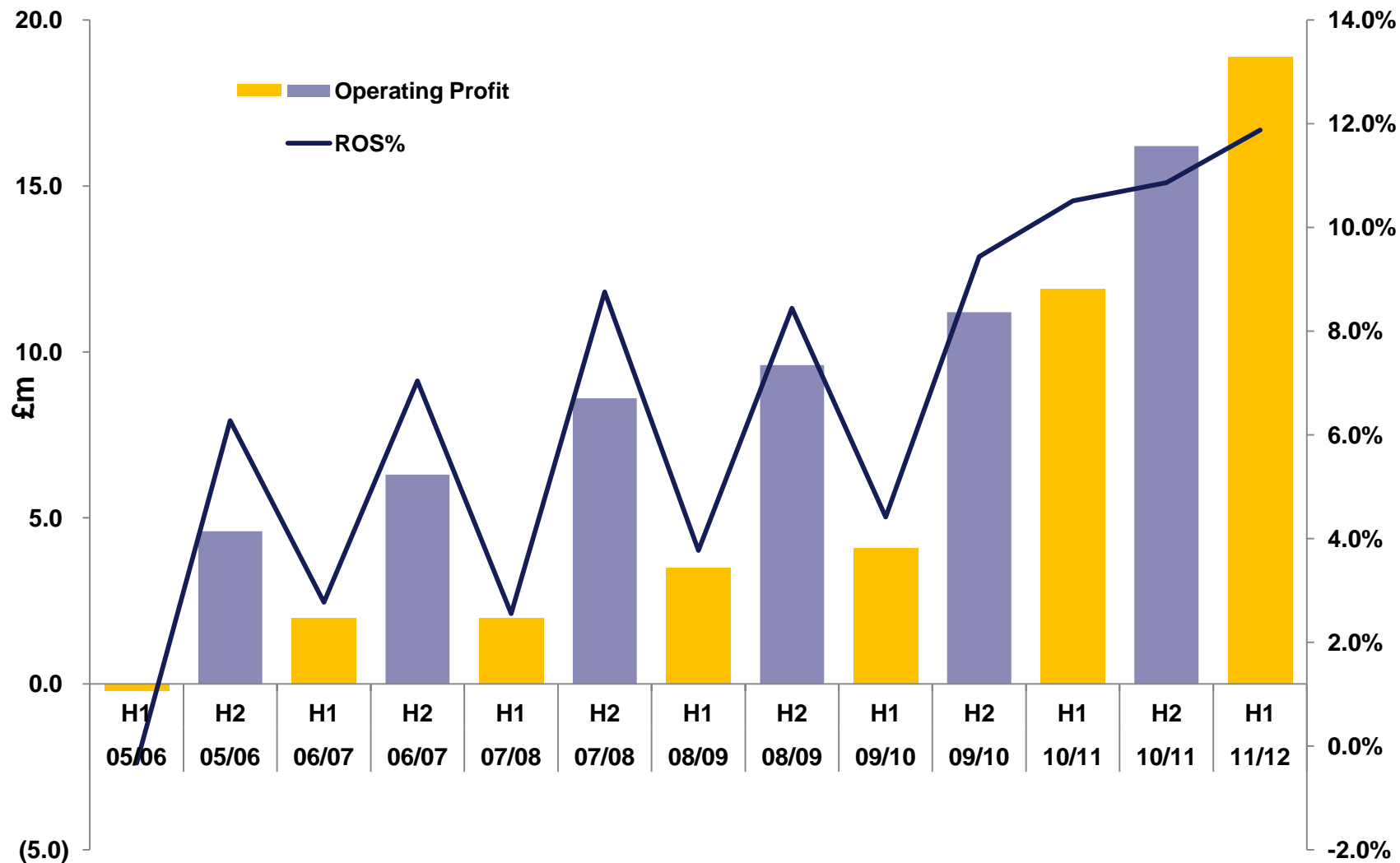




Trading History - Sales



Trading History - ROS



£m	Omicron ²	Omniprobe ³	Platinum ²
Revenues	33.0	5.5	8.5
Operating Profit	2.8	1.0	1.4
Return on Sales	8.5%	18.2%	16.4%
Consideration	23.7 + 4.6 ¹	12.3	10.9 ⁴
Transaction EV/EBIT	8.5x	12.3x	7.8x

¹ Purchase of freehold land and buildings valued at £4.6m

² Vendor management accounts y/e 31/12/10 translated at €1.15/US\$1.65

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

⁴ Initial consideration of US\$18m, earn-out of up to US\$37m payable over 3 years

Strategy

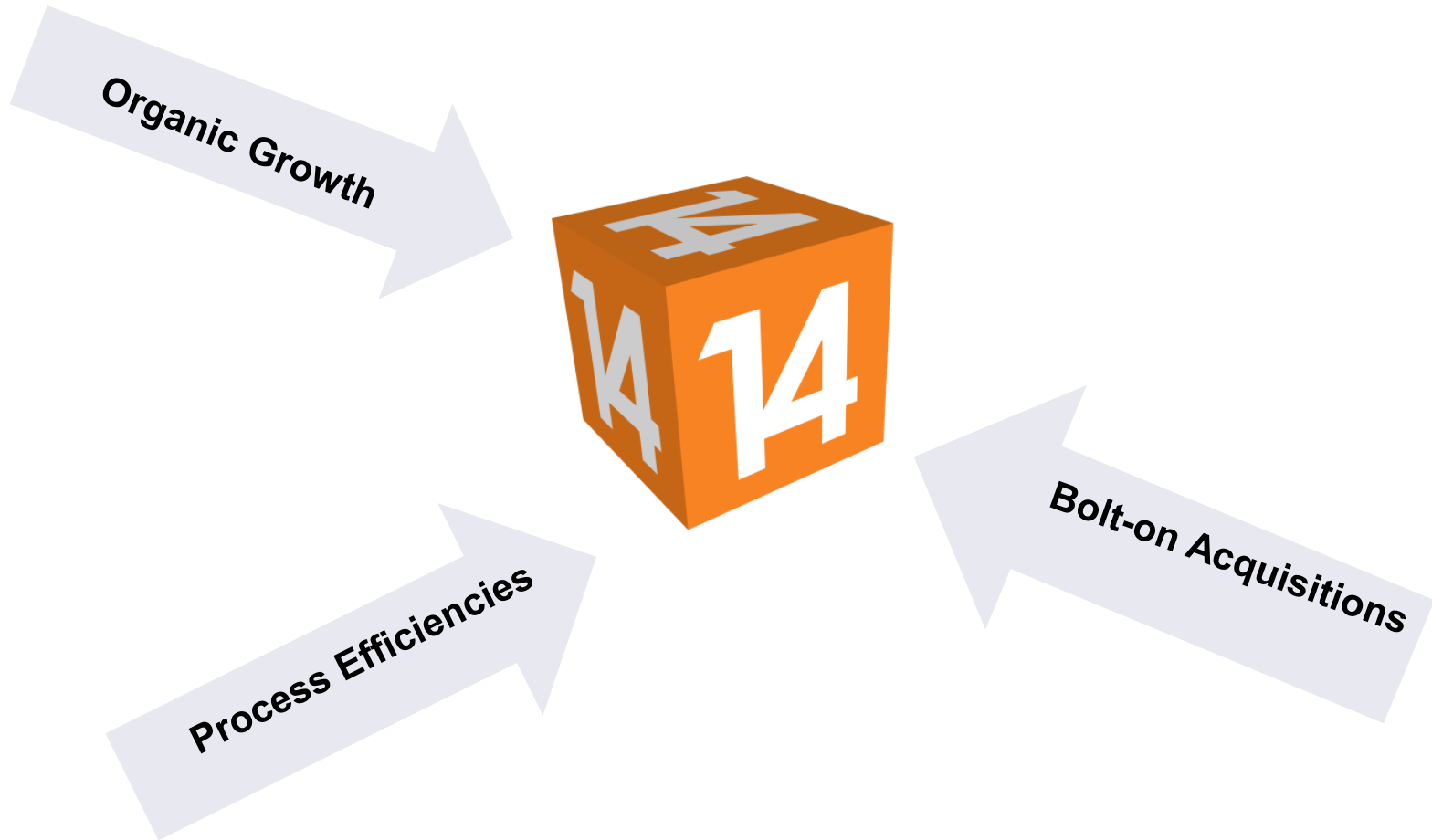
Jonathan Flint
Chief Executive

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?



- Product Innovation
 - Aztec
 - Estrelas
 - Foundry Master Xpert
 - Service
- Austin Scientific accelerated growth
- ITER



- Omicron NanoTechnology
 - Shared customers
 - UHV and surface science synergies
- Omniprobe
 - Customer pull through
- Platinum Medical Imaging
 - Strengthened third party opportunities



Platinum Overview



- Platinum is a US company based in Florida and California
- 33 staff with a turnover of \$14m in 2010
- Platinum is an industry leader in the sales and service of GE branded MRI and CT systems



Business Improvement Plan

Objective	Metric
Delivering for shareholders	Revenue growth Net return on sales
Liberating cash	Cash conversion from profit
Inventing the future	Proportion of revenue coming from products launched in the previous 3 years
Realising the brand	Net Promoter Score
Adding personal value	Value add – (trading profit + employment costs)/employment costs

Operations

Jonathan Flint
Chief Executive

Three Business Sectors

Nanotechnology Tools



Nanoanalysis



NanoScience



Plasma
Technology



Omicron
NanoTechnology

Industrial Products



Industrial
Analysis



Magnetic
Resonance



Superconducting
Wire



Austin
Scientific

Service



OI Service



Service elements of
other two sectors

NanoTechnology Tools

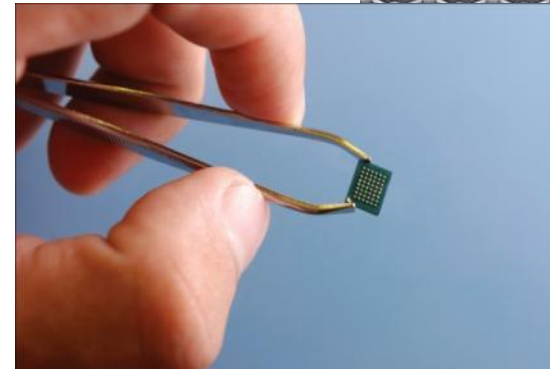
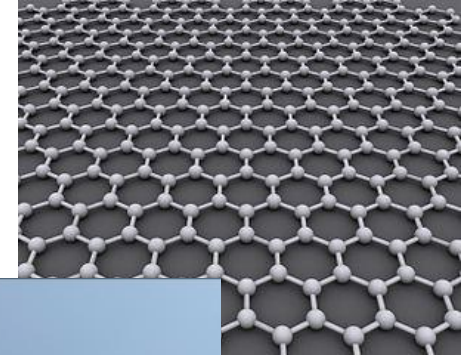
High-performance technology products for research and industry

OXFORD
INSTRUMENTS

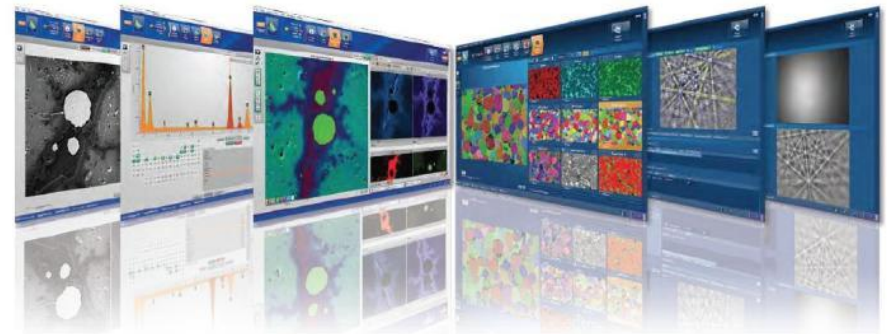
The Business of Science®

- Solid performance driven by robust markets and new product introductions
- Acquisition of Omicron and Omniprobe strengthens the nanotechnology tools platform
- Growth in PV research and MEMS offsets softer HBLED order book

Graphene is an [atomic-scale honeycomb lattice](#) made of carbon atoms
Image courtesy of Wikipedia

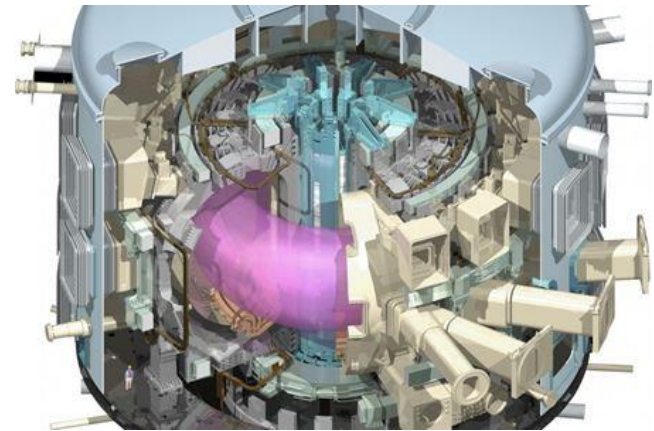


MEMS (Micro Electro Mechanical Systems)



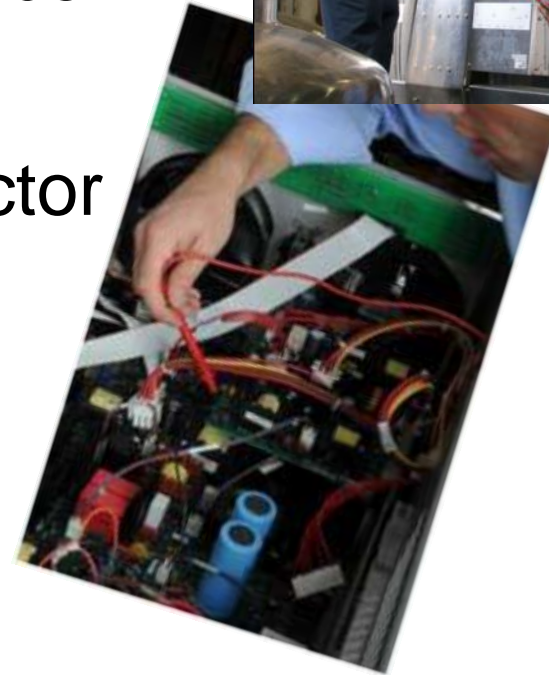
Aztec – new materials characterisation system for electron microscopes

- Strong performance supported by increased demand, ITER wire shipments and improved internal efficiency
- New products launched into metals markets
- Large order for Austin Scientific
- Demand for MRI wire high



A detailed cutaway of the ITER Tokamak, with the hot plasma, in pink, in the centre. © ITER Organization

- Growing installed base
- Shared best practice
- Increased Asian acceptance
- Platinum opportunities
- Growth in high margin sector



- On target to meet *14 Cubed* objectives
- Diversity and innovation provide resilience
- Acquisition integration on plan
- Markets remain robust and current trading strong

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