

Smiths Group
John Crane, Investor visit to Slough

Wednesday 16 January 2008

**Making the world
safer, healthier and
more productive**



Investor Day Agenda

10:15 Welcome and Introduction:
Steve Warren,
Director, Investor Relations

10:20 Specialty Engineering
Presentation: Paul Cox, GMD

10:30 John Crane Presentation:
Mike Mansell,
Managing Director EAA

Michael Hall, Strategy, Technical
and Marketing Director, EAA

11:10 John Crane Q&As

11:25 Tour of facility

12:35 Wrap up and Q&As: John
Langston, Paul Cox and
Mike Mansell

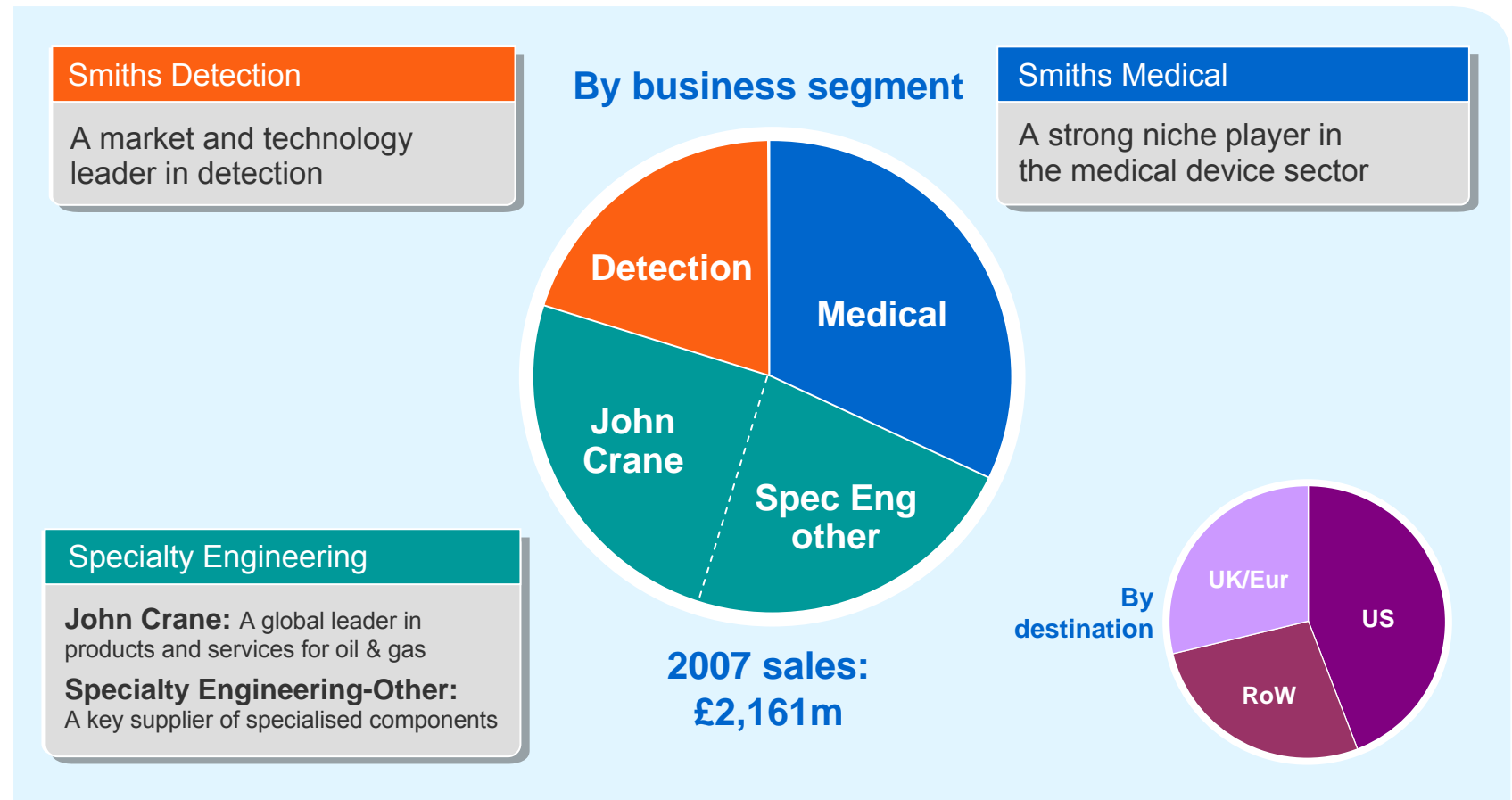
12:45 Buffet lunch

13:10 Depart facility, take coach to
Slough station

13:41 Depart Slough for London
Paddington

13:58 Arrive London Paddington

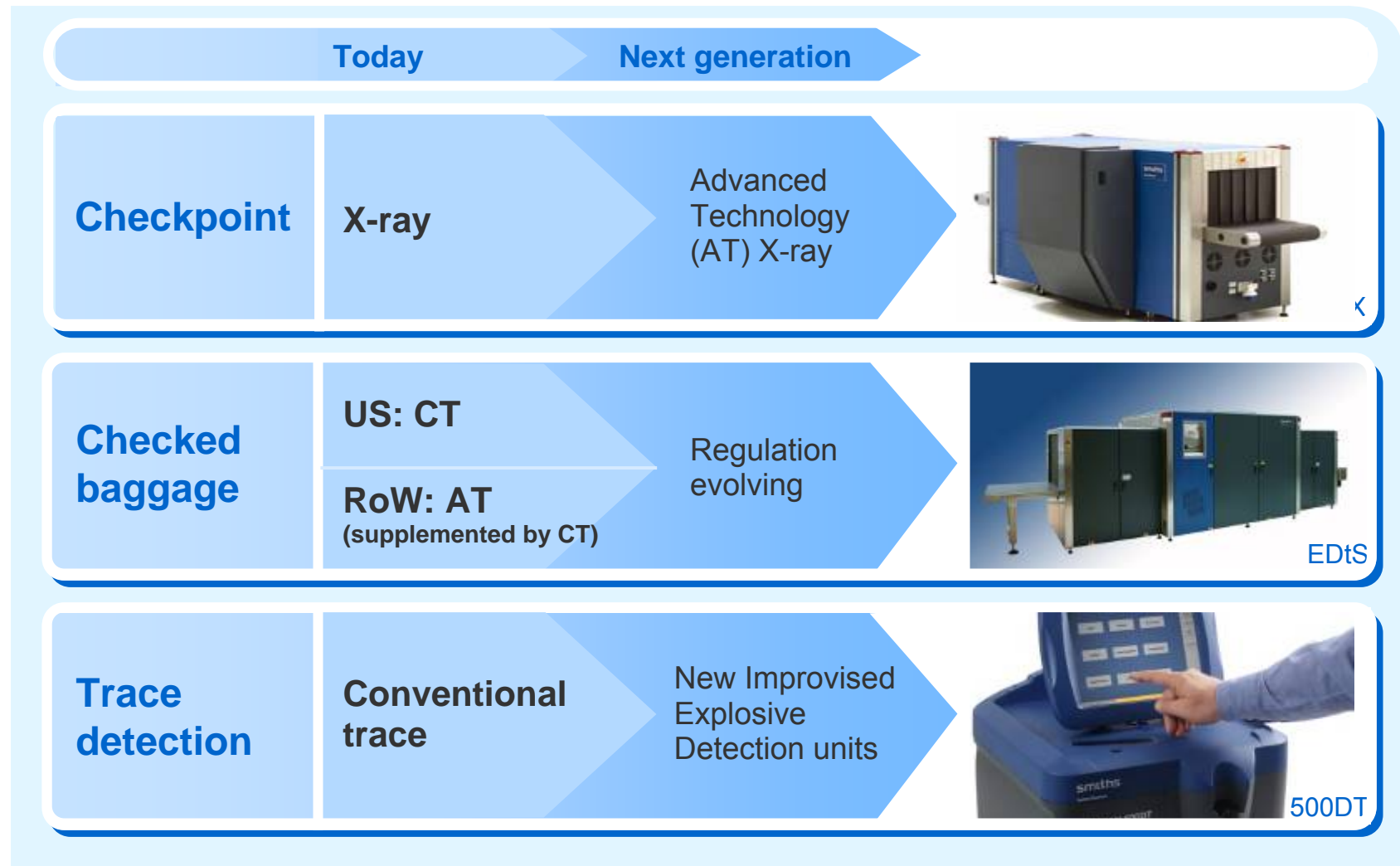
Smiths Group: well positioned for growth in resilient markets



Growth will come from: Dynamic markets • Investment in technologies
Productivity gains • Targeted acquisitions

Smiths Detection:

Airports, rapid developments in airport security present new opportunities



Smiths Detection: Other growth drivers ahead

Ports & Borders



Period of strong growth

- Concerns on border security drive demand
- Sales doubled in 2007
- Russian factory operational

Major military programmes



- US Chemical Biological Protection System (CBPS) now in prototype stage
- JCAD US manpack - production underway

Sensor networking



- Software linking detectors into operation centres
- Livewave systems installed in US subway

Developing new markets for our technology

Smiths Medical

Deliver Medication



Provide Vital Care



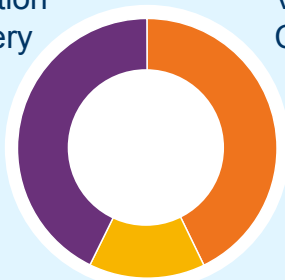
Keep People Safe



Addressable market c£3.5bn

Medication
Delivery

Vital
Care



Safety Devices

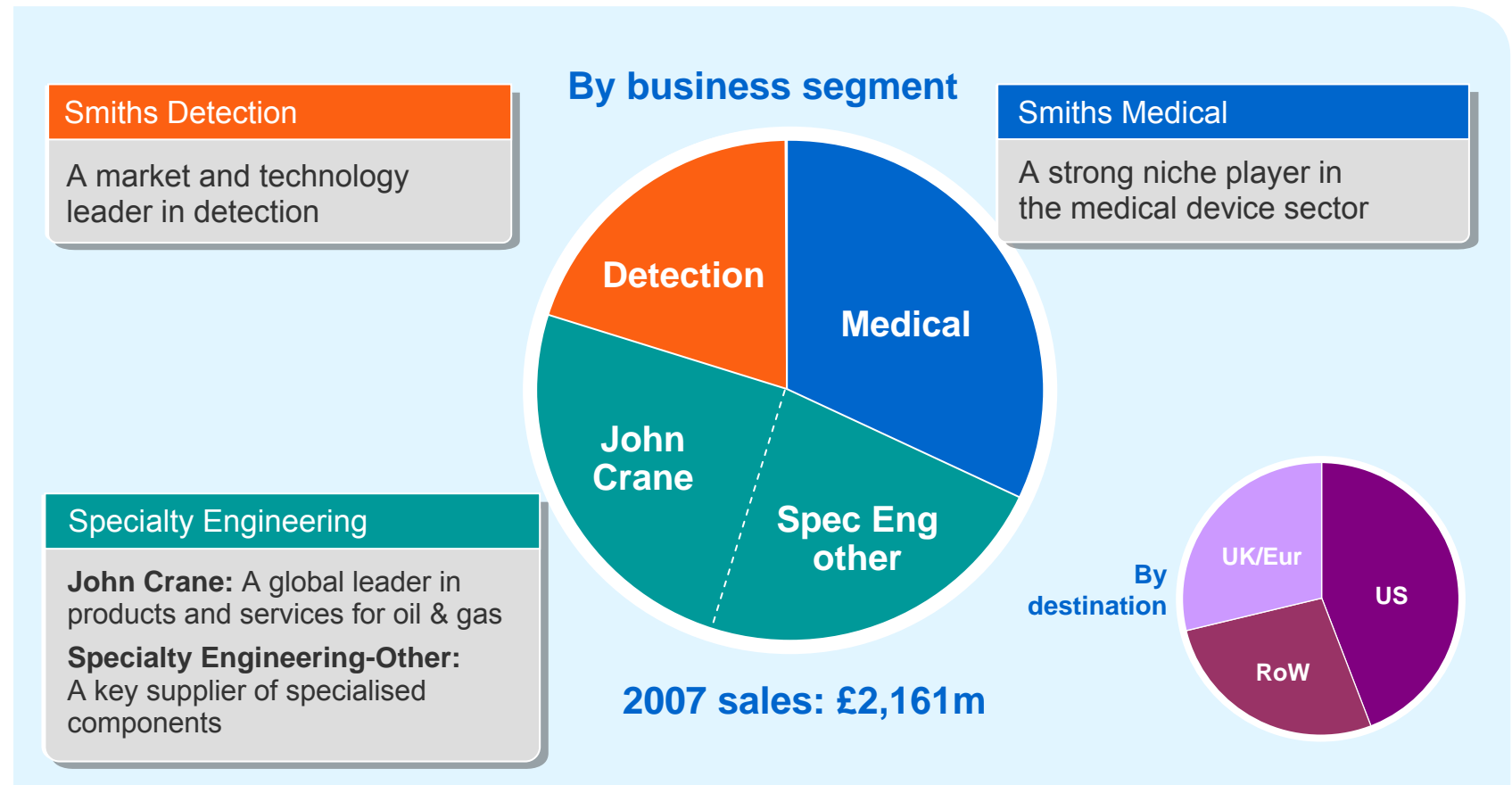
	Market size	Market growth	Smiths Medical sales FY07	Smiths Medical approx share
Medication Delivery	c£1.5bn	6%	c£250m	17%
Vital Care	c£1.5bn	4%	c£300m	20%
Safety Devices	c£0.5bn	6%	c£150m	30%
Total	c£3.5bn	5%	c£700m	20%

Smiths Medical: Leading brands in the respective fields



smiths medical
bringing technology to life

Smiths Group: well positioned for growth in resilient markets



Growth will come from: Dynamic markets ■ Investment in technologies
Productivity gains ■ Targeted acquisitions

Smiths Specialty Engineering

Paul Cox speaking

Interconnect

2007 sales:
£233m



Flex-Tek

2007 sales:
£217m



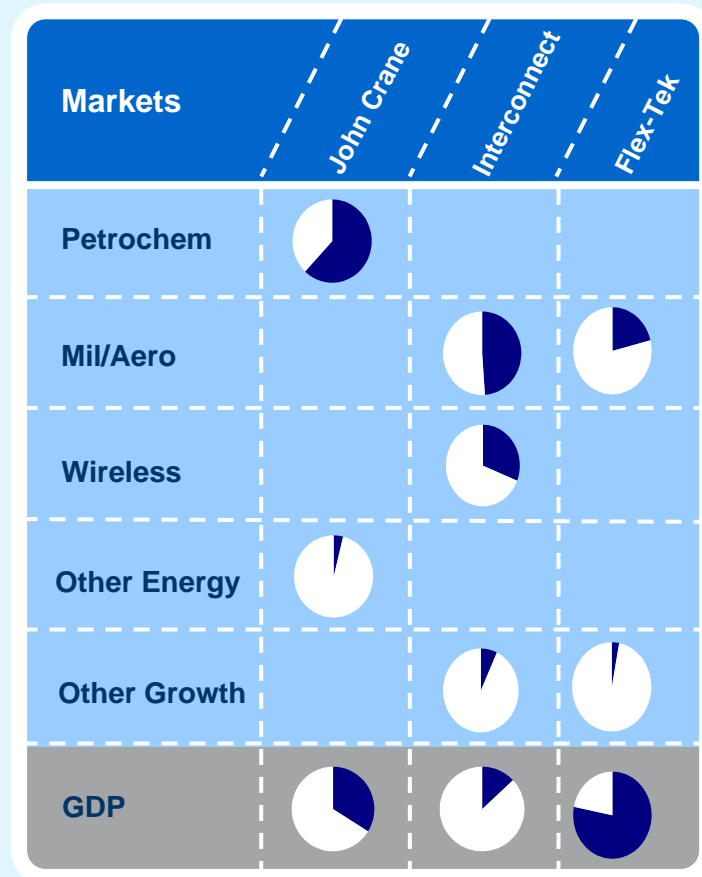
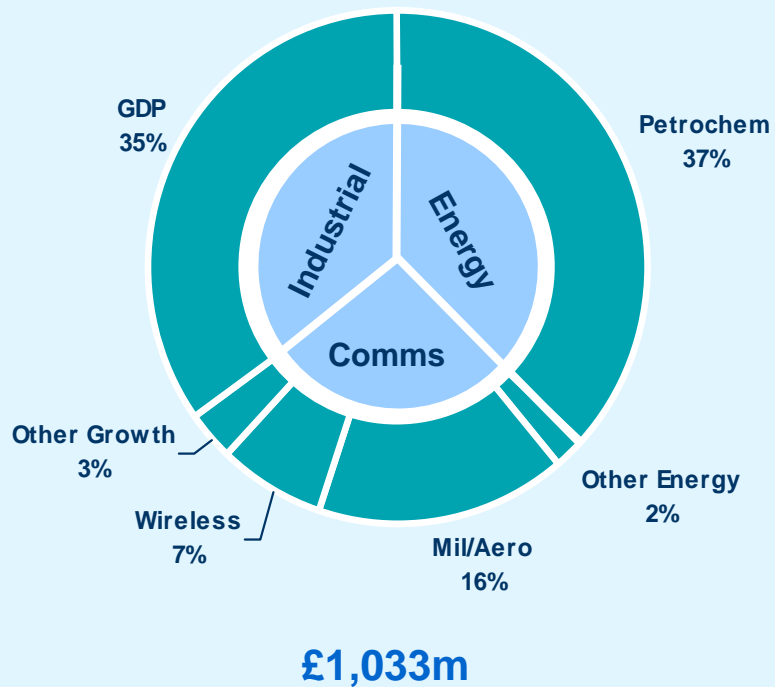
John Crane

2007 sales:
£532m



Specialty Engineering markets

2007 sales by markets



Two thirds of revenues in growth markets

Building of Smiths Specialty Engineering

2007 Divested Marine

2007 Acquired Sartorius Bearings

2007 Divested Times Microwave

2007 Acquired CDI Energy Services

2006 Acquired Lorch Microwave

2005 Acquired Millitech Inc

2005 Acquisition of Hi-Tech Hose Inc

2005 Acquisition of Farnam

2005 Acquired US Seals

2004 Acquired John Crane Timing

2004 Acquired TRAK TECOM Industries

2004 Divested Icore International

2003 Divested Polymer

2003 Specialty Engineering Formed

2002 Divested John Crane LIPS

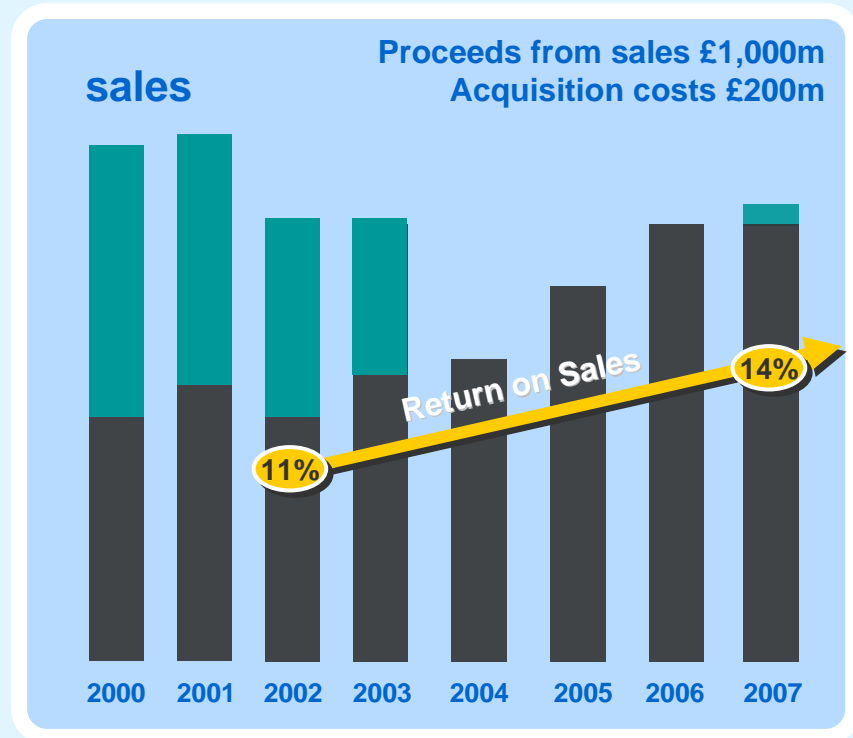
2002 Divested Air Movement Group

2002 Established Chinese WOFE

2001 Acquired Summitek Instruments

2000 Acquired LEA International, EMC Technology,
RF Florida Labs and Radio Waves Established Costa Rica lower-cost manufacturing facility

2000 Industrial + Sealing Solutions



Interconnect



Interconnect is a global electronic components and sub-systems manufacturer providing signal, power and microwave capability to the military & aerospace, wireless infrastructure and other industries.

Our products are application specific and incorporate innovative technologies to achieve ultimate system performance.

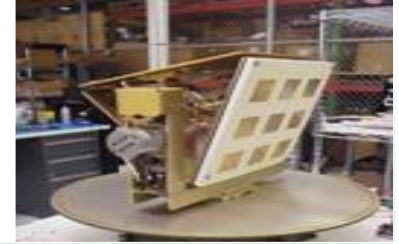
www.smithsinterconnect.com

Interconnect electronics technologies

Microwave



Components and sub-systems used in the generation, transmission, receipt and processing of high frequency signals



Connectors



Application specific high reliability electrical interconnect solutions



Protection

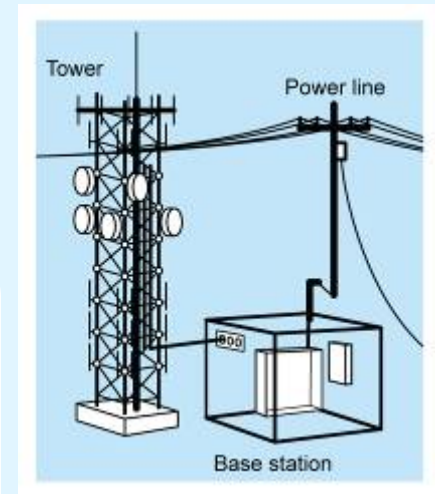
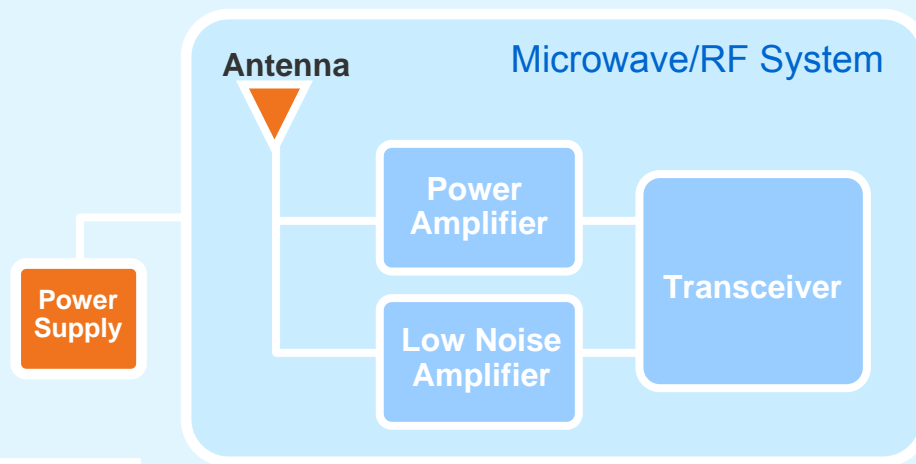


Components used to protect high value electrical systems from surges caused by power spikes and lightning strike



Selective development & acquisition of valued technologies

Interconnect electronics technologies - Microwave system application

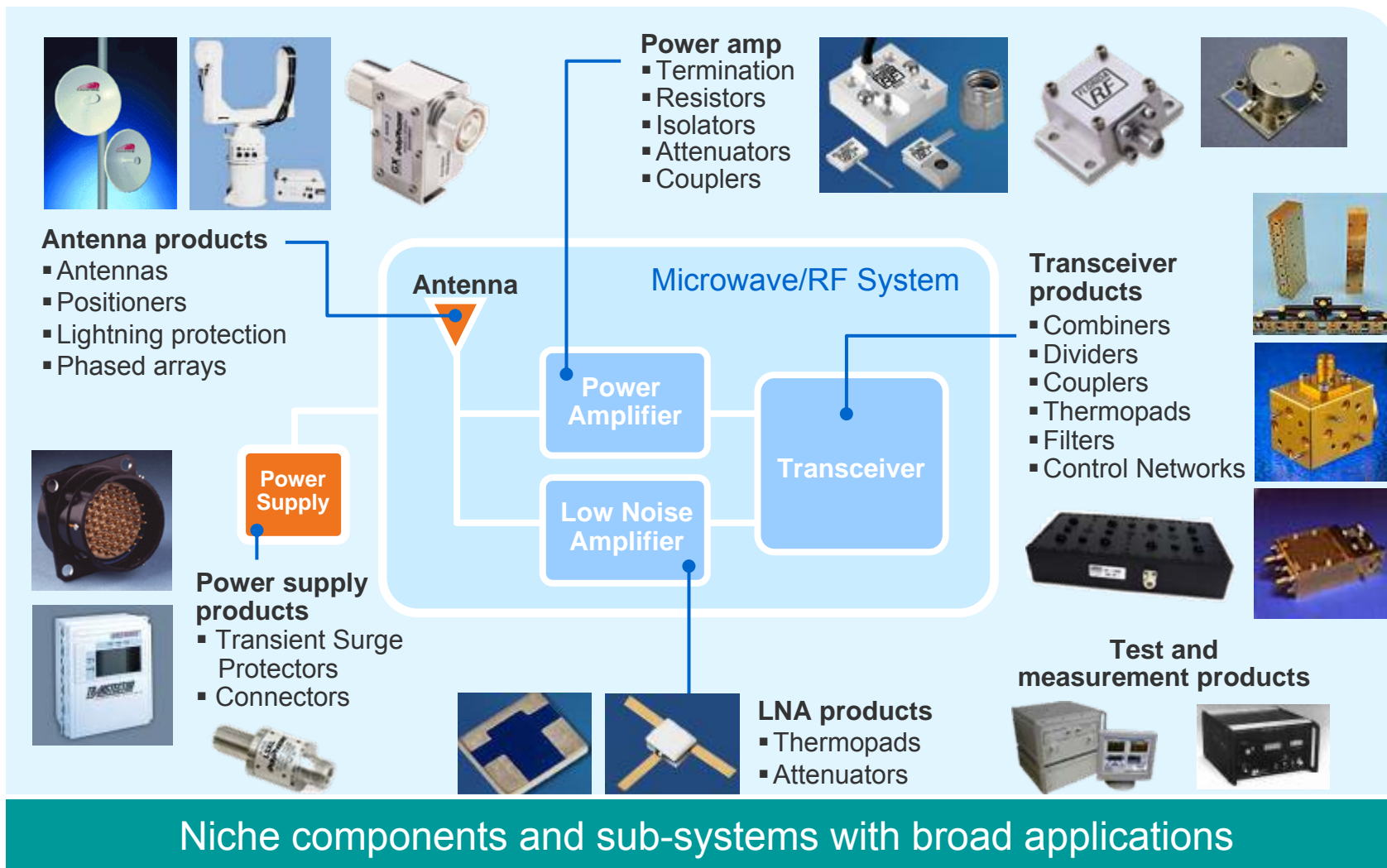


**Communications
systems**



**Sensor
systems**

Interconnect electronics technologies - Where our products are used



Flex-Tek



Flex-Tek design and manufacture engineered components which heat and move fluids and gases for aerospace, housing, domestic appliances and medical devices.

www.wereflexible.com

FlexTek - Engineered flow/heat technology

Engineered Flow

- Proprietary hose and tubing technology
- Total system provider for natural gas delivery
- Patented fitting design and leader in code development
- Precision fluoropolymer extrusion and braiding
- Complex rigid tubing assemblies in high ferrous metals

Heat Technology

- Open coil convection heating
- Complete thermal systems for precise control of air and gas temperature



Innovators of heating & moving fluids / gases

FlexTek - Engineered flow/heat applications and markets

Engineered Flow

- **Appliances** - Leading global provider of specialist hoses for the treatment of sleep apnea and floor care equipment
- **Aerospace** - Global manufacturer of rigid and flexible engineered fluid distribution solutions for aerospace applications
- **Construction** - US market leader in flexible stainless steel natural gas delivery tubing and leader in high-end HVAC ducting

Heat Technology

- **Appliances** - Largest manufacturer of heating elements for clothes tumble dryers and HVAC equipment in North America
- **Other** - Extensive applications range: medical, semi-conductor, bio-fuels, laboratory equipment



Design & Manufacturing Innovation key to success

John Crane



John Crane is the market leader, designing and manufacturing seals and associated products for the oil & gas, chemical, pharmaceutical, pulp & paper and mining sectors.

www.johncrane.com

John Crane market offering

Aftermarket
service offering



John Crane:
Seals and Couplings



Expanded
aftermarket
opportunities:
e-commerce +
asset management



Technology
Expansion:
Bearings &
Condition Monitoring

New
aftermarket
opportunities



CDI

Leveraging into
adjacencies



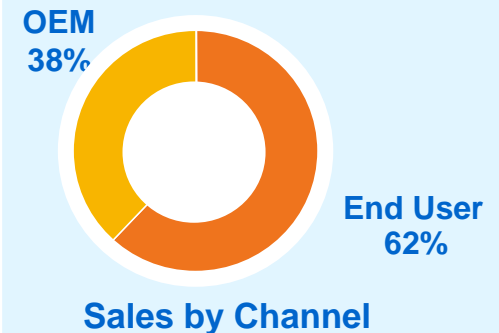
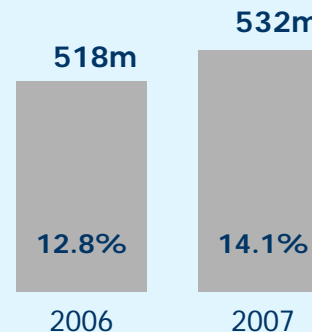
John Crane Overview

Presenter: Mike Mansell

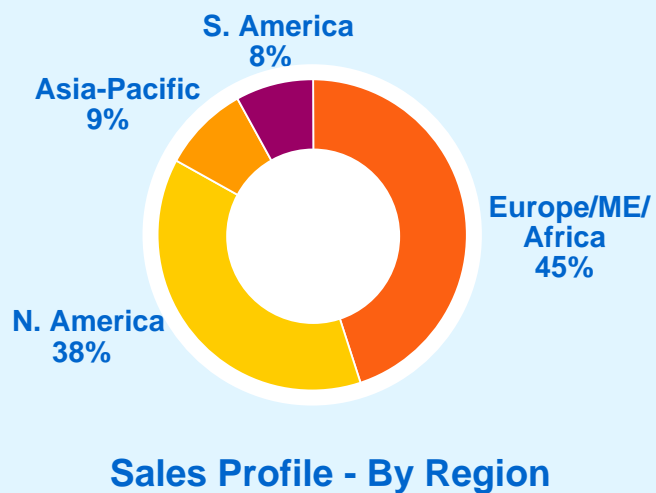
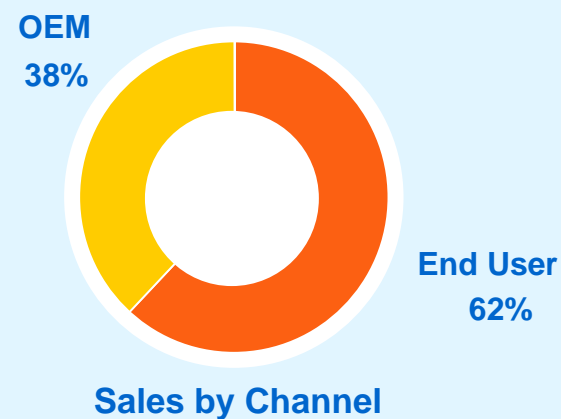
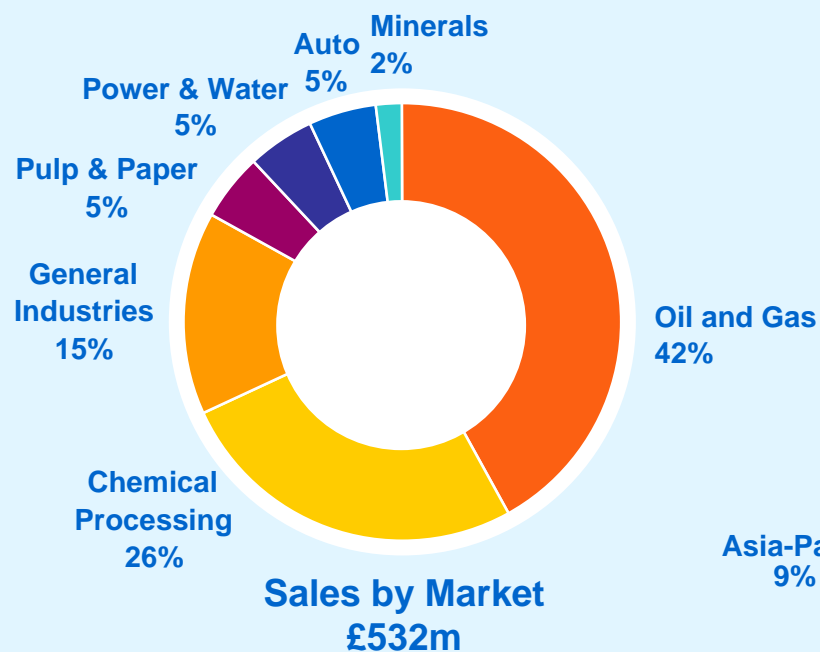


Financial performance

- Sales: £532m
- Margin: 14.1%
- Employees: 6,100
- Global market access
- Over 40% of employees in customer facing roles
- Two thirds of revenue from service and aftermarket



John Crane - Where We Operate



John Crane – Operations excellence

Low cost manufacturing

- Czech and India – Standard cartridge and coupling manufacture
- China and Mexico – Volume production
- India – Back office support, Design, projects, HR, eBusiness, Marketing

Integrated Business System – SAP

- £20m investment in an integrated business system
- Increase efficiency and reduce costs

LIFE

- Little improvements from everyone
- Business process improvement
- Company wide culture



John Crane - Customers

First-fit Supply to Original Equipment Manufacturers

SULZER

FLOWSERVE



ITT

WEIR

SBW

MITSUBISHI

DRESSER-RAND



Nuovo Pignone

Solar Turbines

A Caterpillar Company

TEXTRON

YORK
A JENSEN CONTROLS COMPANY

ELLIOTT
EBARA GROUP

Aftermarket Supply and Value-Added Services to Operating Facilities



ExxonMobil



PDVSA

BASF

KOCH
INDUSTRIES INC

ConocoPhillips



Living.
Improved daily.

ROHM
HARRIS

Bayer



LYONDELL

Lyondell | Equistar | Milkenium | The Lyondell Companies



VALERO ENERGY
CORPORATION

OxyChem



قطر للغاز
QATARGAS

SOLVAY

Lilly

中国石油化工股份有限公司
CHINA PETROLEUM & CHEMICAL CORPORATION



John Crane - Global Reach



- John Crane key intrinsic strengths:
 - Customer intimacy
 - High proportion of aftermarket activity
 - Unequalled sales and service infrastructure
 - Industry strength and knowledge in O&G sector
- Aftermarket sales: £340M
- Typical plant generates 30 years spares business
- High margin
- High added value
- 40% employees in customer facing roles



John Crane - Operating In All Segments Of The Oil & Gas Field



Upstream

- Oil & Gas extraction and initial processing
- Production stimulation (injection / produced water re-injection)



Midstream

- Crude and End Product Pipelines (Liquids)
- Gas Pipelines (Compression)
- LNG (Compression and shipping)



Downstream/Petrochemical/CPI/Power

- Oil Refining
- Gas Processing
- Petrochemicals/Intermediates
- Basic Chemicals
- Specialty Chemicals
- Power Generation



John Crane – Investment Projects



Areas of Oil & Gas investment

- 1) Canada – Oil Sands
- 2) Angola – Deep water
- 3) Russia/China – Pipeline
- 4) Venezuela - Pipeline
- 5) Qatar – LNG
- 6) Asia – Ethylene crackers

2007 Capex investment

Upstream \$150bn

Midstream \$15bn

Downstream \$50bn

Downstream
Opex and maintenance \$146bn

John Crane - What we do

Extraction and Refining Process



Mechanical Seals for Pumps

- High pressure for main oil line pumps
- Sea water injection pump seal
- Shipping and service pumps



John Crane - What we do

Extraction and Refining Process



Couplings for Pumps and Compressors

- Strong premium brand
- Preferred choice in the Oil industry
- Largest 10MW and 3.2 ton

METASTREAM™



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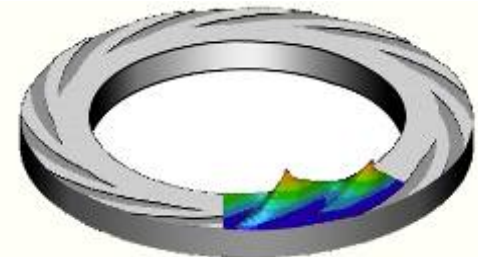
John Crane - What we do

Extraction and Refining Process



Dry Gas Seals and Systems for Turbo Compressors

- Replaced conventional technology
- Now fitted to most turbo compressors



John Crane - What we do

Extraction and Refining Process



Engineered Bearings for Rotating Equipment

- Recent acquisition
- Excellent fit with gas seals
- Technology development opportunity
- Aftermarket opportunity



John Crane - What we do

Extraction Process



Artificial Lift Rod Pump

- Recent acquisition of CDI Energy services
- Focus on Upstream Energy market
- Strategy to grow through related acquisitions
 - Fit with existing core markets
 - Leverage the John Crane global footprint



John Crane - What we do

Extraction and Refining Process



Rotating Equipment

Performance Management

- Shared benefit agreements
- Long term customer relations
- Cross selling opportunities

Oil & Water Chemistry Consultancy





John Crane - A Passion for Innovation Timeline

Presenter : Michael Hall



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John Crane - A Passion for Innovation

Dry Gas Seal Technologies

Dry Gas Seal - Spiral grooves etched into seal face provide hydrodynamic lift-off, separating faces on a film of gas. Quantity, shape, and depth of grooves dictate the amount of lift



Largest:-

- Advanced sealing technology developed up to 350mm diameter seal
- Handles main refrigerant duties at the Qatargas II plant
- Growth in global LNG demand is driving technology

Highest Pressure:-

- Technology tested for operation up to 450bar for reinjection applications
- Customer approved high pressure seal variant
- Development program underway to extend capabilities beyond 450bar

Extremes of Operation:-

- Installed in the most hostile locations
- Temperatures in excess of 60°C down to -40°C

John Crane - A Passion for Innovation

Bearing Technologies

Bearing Technology - For the most advanced rotating equipment used within the oil and gas and power generation industries.



Types:-

- Multi Lobe
- Tilting pad
- Combined

Applications:-

- High performance rotating equipment
 - Compressors
 - Pumps
 - Turbines
 - Gearboxes
- Oil & Gas
- Power generation

Experience:-

- 60 years design & manufacture
- Preferred supplier
 - Siemens
 - MAN Turbo
 - Sulzer
 - Voith

John Crane - A Passion for Innovation

Seal Support Systems

Seal Support Systems

Control the environment around the seal for safe, reliability and efficient operation of process plant



Types/applications:-

INOVIT

- Dry Gas Seal modular support & conditioning systems for Turbocompressors

Wet Seal Support Systems

- Full range of systems for O&G/Petrochem/Chemical processes

SmartFlow

- Environmental Award winning technology to minimise utility water usage

Features:-

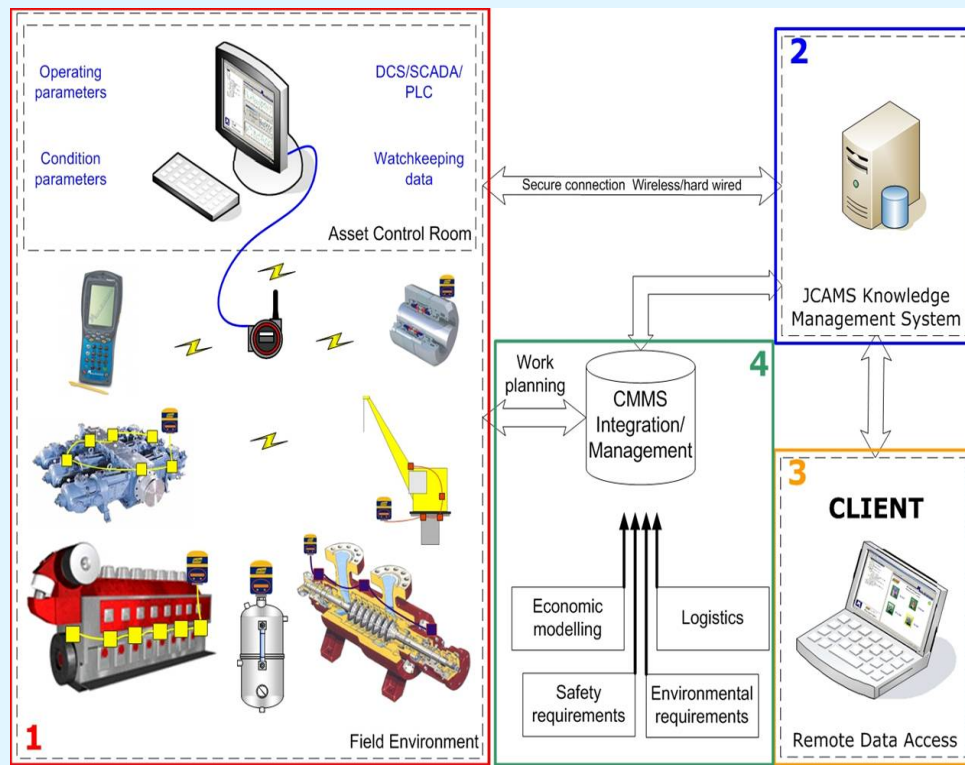
- Selection software ensures correctly engineered applications
- Designed to meet with global standards and customer specifications
- Wireless technology, meeting remote monitoring and operation requirements of the refinery of the future

John Crane - A Passion for Innovation

Asset Management Solutions

Asset Management Solutions

Smart systems with embedded intelligence to deliver valuable business solutions for asset management



- Delivers state-of-the-art software and hardware solutions to implement Condition Based Maintenance (CBM) systems **for improved asset performance:**

- **Reliability**
- **Availability**
- **Process**
- **Safety & environment**

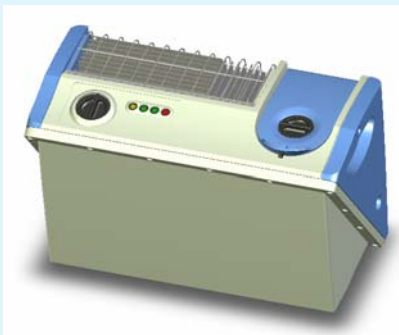
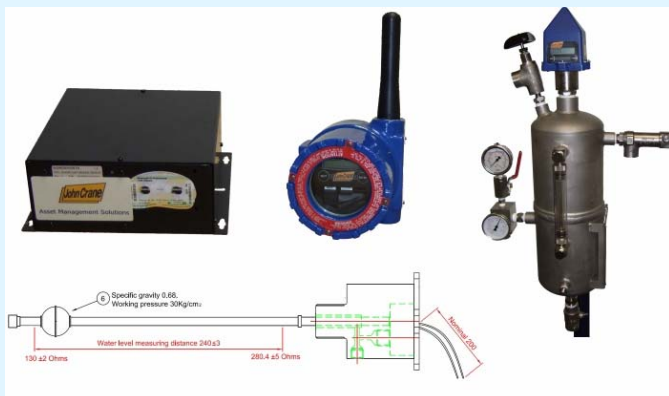
- Integrates solution with clients existing Computerised Maintenance & Management Systems (CMMS) for effective and efficient implementation of maintenance strategy

John Crane - A Passion for Innovation

Asset Management Solutions

Asset Management Solutions

Smart systems with embedded intelligence to deliver valuable business solutions for asset management



Equipment Monitoring Applications:-

3 in 1

- Seal support systems monitoring

Dart 1

- Vibration, Temperature & Acoustic Emissions

Process Monitoring Applications:-

Foxcub

- Crude oil analysis

Specac

- N.I.R. Process stream monitoring

Features:-

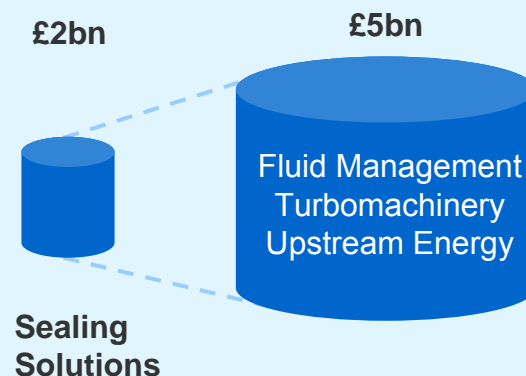
- Wireless technology reduces installation and operating costs
- Data to desk
 - 24/7 real time data for informed decision making
- Embedded intelligence
 - Technology and support
- Flexible solutions
 - Specific applications to complete plant

John Crane – Business Development



John Crane - Summary

- John Crane has excellent future prospects
- Market outlook remains strong
- Continuous Business Improvement
 - Low cost manufacturing
 - LIFE
 - Integrated Business System – SAP
 - Business Mix
- Increased addressable market: £2bn to >£5bn
- Key growth areas:
 - New Technologies – JCAMS
 - Product and Market Adjacencies
 - Increased aftermarket offerings



Continued opportunities for growth in expanded markets

John Crane – Questions and Answers





Site Tour

- 4 groups colour coded with badges
- Four zones to visit
 - Factory Tour
 - Test Facility
 - Enabling Technology
 - Aftermarket
- Demonstration Areas
 - SPECAC
 - Asset Management Solutions
 - Oil Plus

Smiths Group
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Slough, 16 January 2008

Questions and answers

Making the world
safer, healthier and
more productive

