

Smiths Aerospace

Meetings with investors at the Paris Airshow

June 2005



Smiths Group

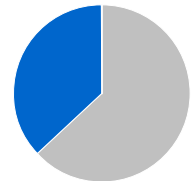
- US defence procurement expected to level off
- Commercial aerospace growing strongly
- Airline sector is not profitable



Why is Aerospace attractive?

- Defence continues to be a high priority
- Strong underlying demand for air travel
- Leadership positions in the supply chain are rewarding

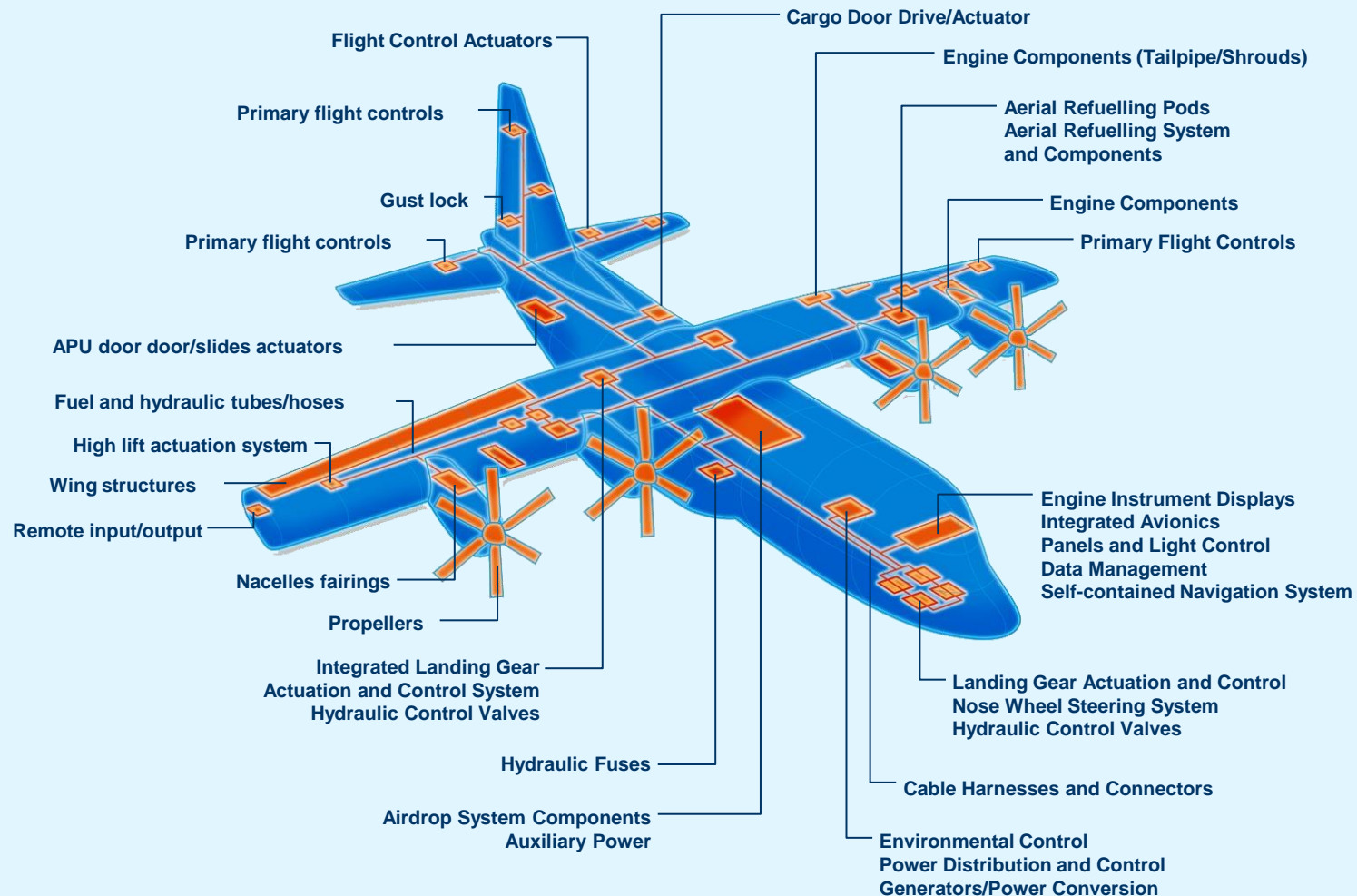
Approx. proportion of
Smiths' total sales



Capabilities on military transports

(Applications: C-130AMP, C-130J, C-17, C-27, P-8A MMA, B767 Tanker...)

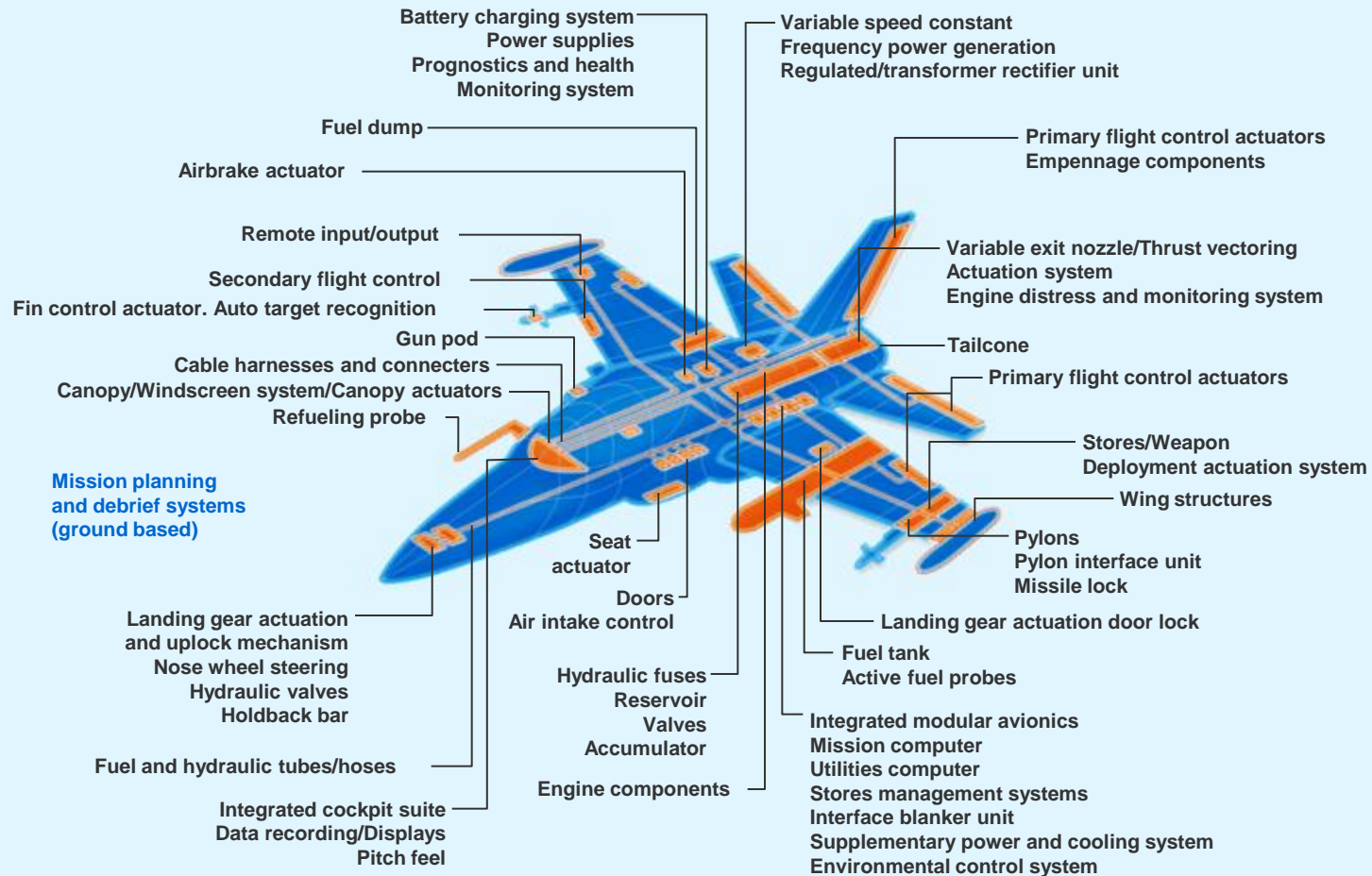
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Smiths Aerospace is a Tier One supplier on military platforms

Capabilities on fighters: (Applications: F-35, F-22, F-18 E/F, F-16, Eurofighter, Hawk)

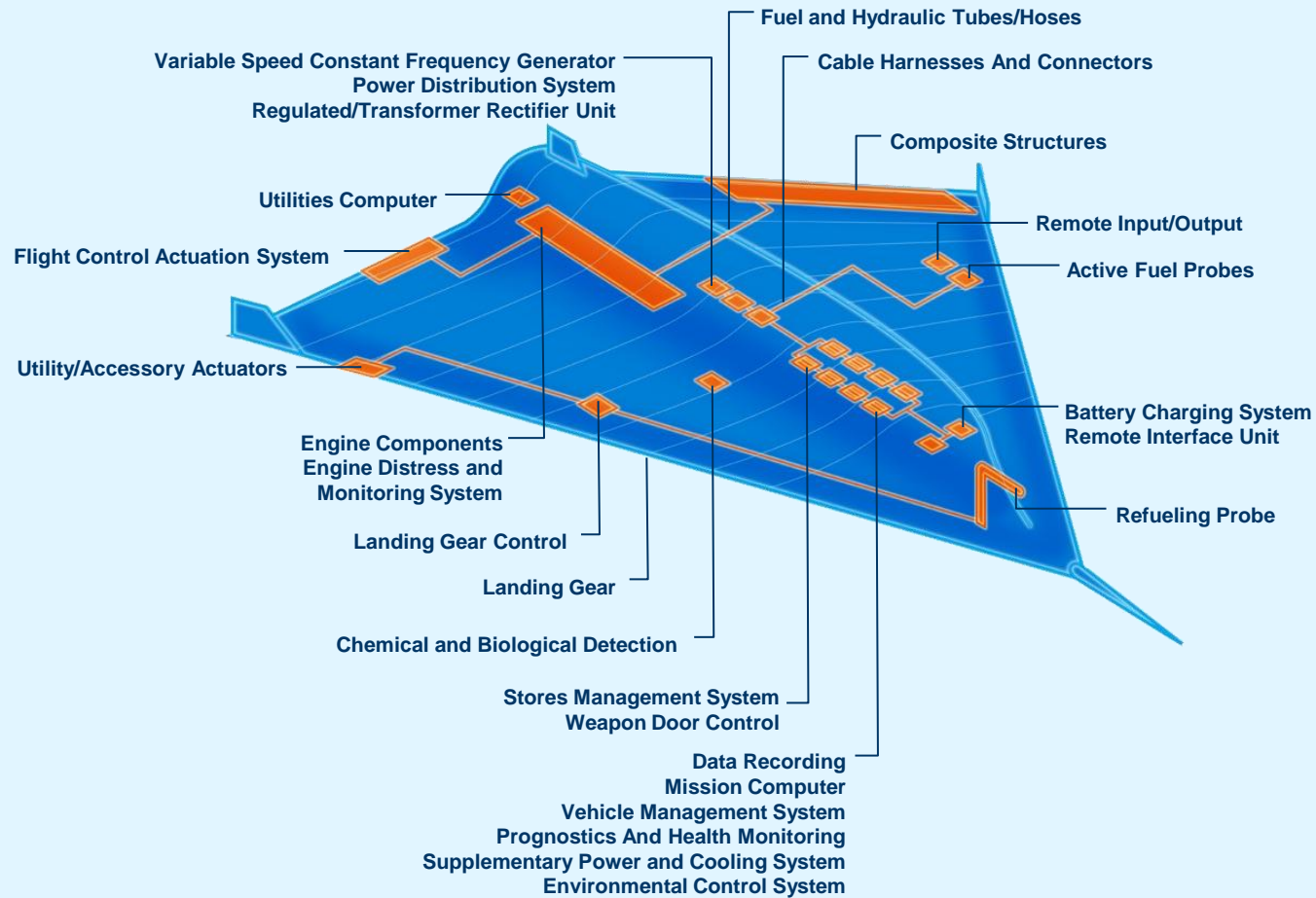
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Capabilities on UAVs

(Applications: X-47, X-45...)

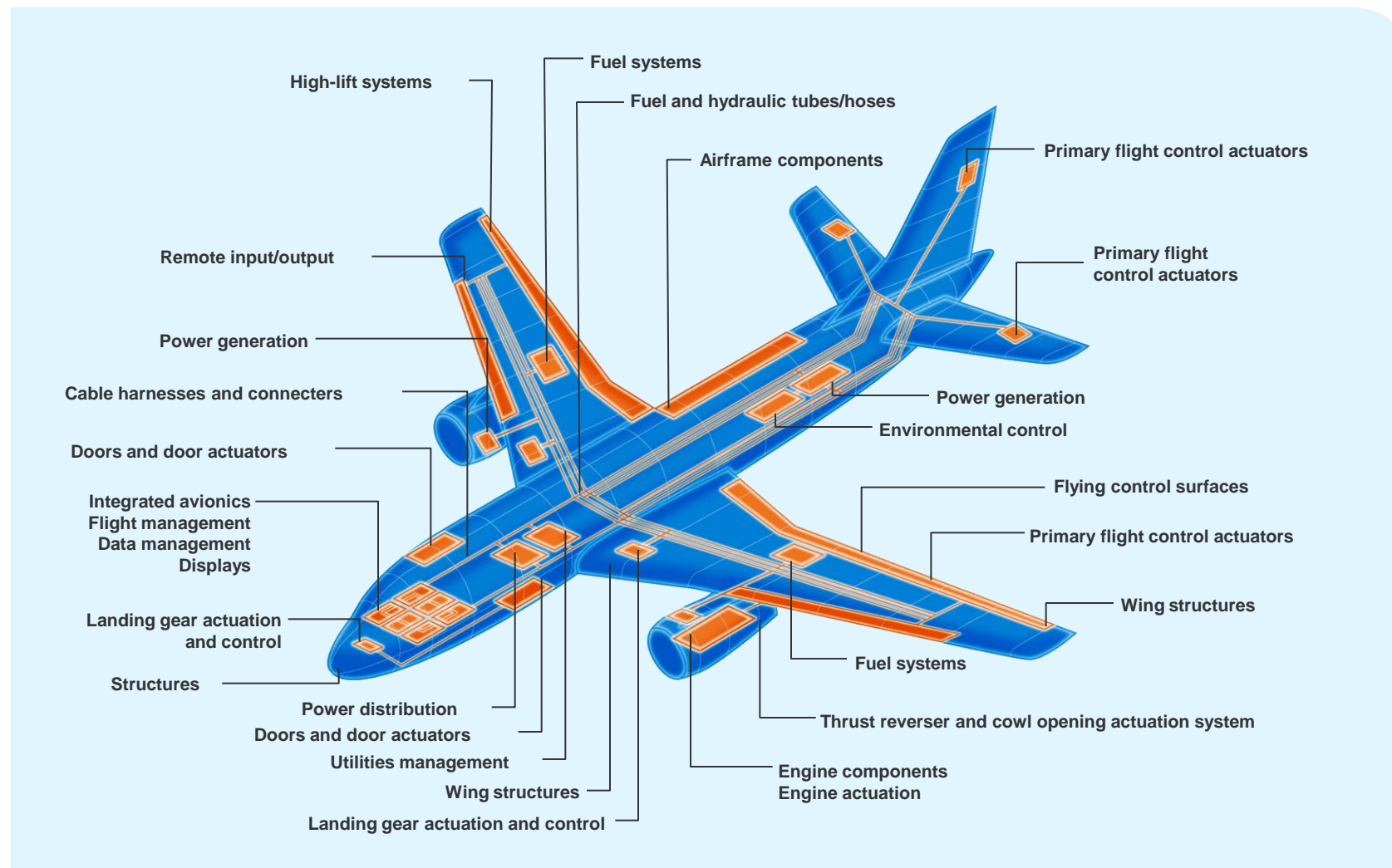
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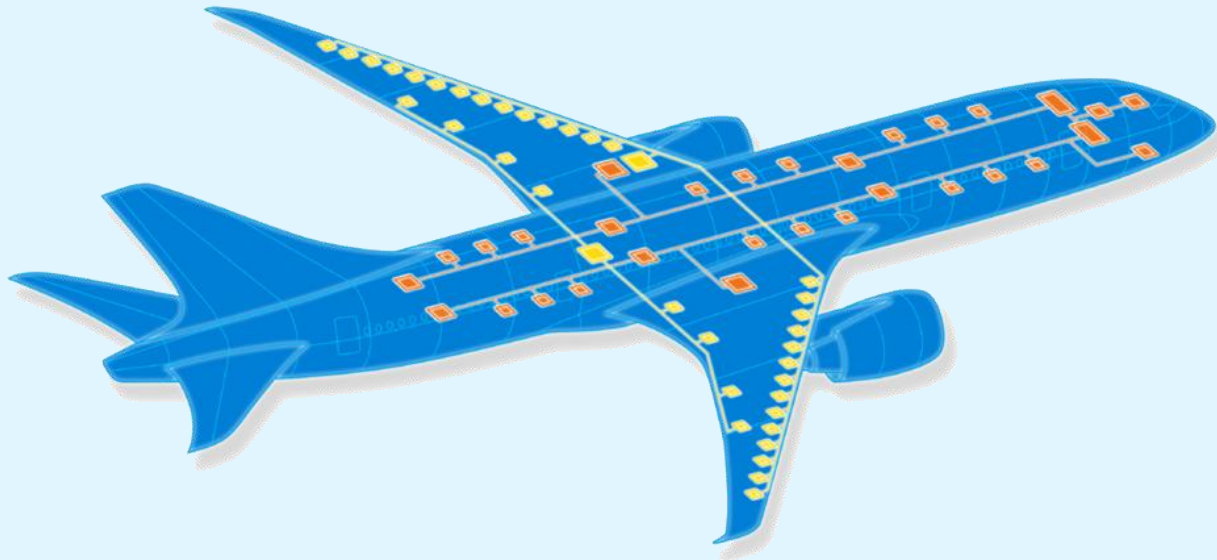


Smiths Aerospace has a strong position with Boeing and Airbus

Capabilities on large commercial aircraft (Applications: Boeing: 737, 777, 787 Airbus: 320, 300/340, 380)

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Major Systems won by Smiths

- Common Core
- High Lift
- Landing Gear

Programme Status

- Firm Orders = 64
- Options = 24
- Entry into Service = 2008

Trend to systems integration, but each customer is different



**Major Systems won by
Smiths
High Lift
Landing Gear**

**Programme Status
Firm Orders = 139
Options = 70
Entry into Service = 2006**

What are we?

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Aerospace Systems Delivering Integrated Solutions

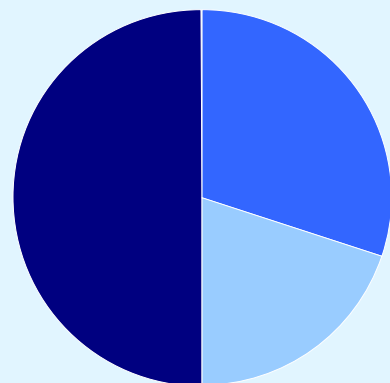


Northrop Grumman selects Smiths for J-UCAS Landing Gear System 8th
February 2005

Engine Components Growth fueled by Competitiveness



Smiths expands Aircraft Engine
Facility in China 1st November 2004



Sales Split

- Electronic systems
- Mechanical systems
- Engine components

FY04 Sales:

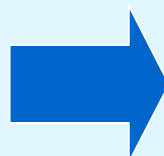
£1,006m

Military / Civil split

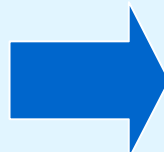
60% / 40%

R&D/Sales

- Company Funded**
(expense to profit)
- Customer Funded**
(largely govt / military)



8%



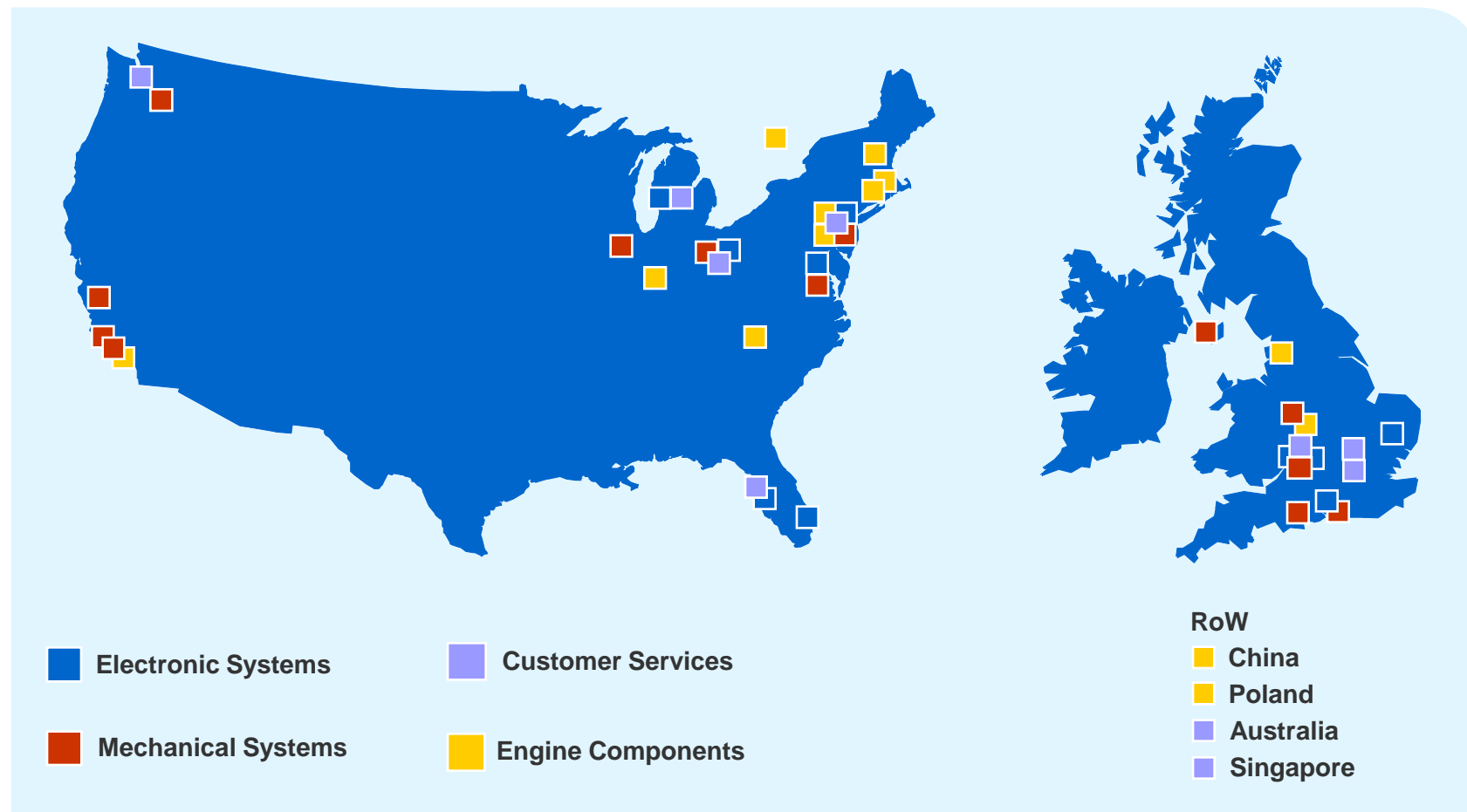
12%

Recent Additions

- DGT acquired for £57m in mid '04
- Integrated Aerospace acquired for £57m at end '05

Where are we?

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Total employees: **circa 11,000**

Smiths Aerospace on Major Platforms: Typical programme revenues

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Boeing 787: \$2.6b

common core system, landing gear and high lift actuation systems, flight recorder

Boeing 777: \$800m

electrical power, utilities, hydraulics, engine components

Eurofighter: \$600m

avionics, utilities, hydraulics, engine components

Airbus A380: \$1bn

landing gear extension & retraction system, actuators, high lift actuation, wing components

Airbus 320: \$650m

avionics, hydraulics, engine components

JSF: \$3bn

avionics, utilities, hydraulics, engine components

F-18 E/F: \$650m

weapons systems, utilities, hydraulics, engine components

Electronic Systems

Rockwell Collins Honeywell

Hamilton Sundstrand

Goodrich

Thales

Mechanical Systems

Moog

Cobham

Parker

Goodrich

Liebherr

Engine Components

GKN Carlton Barnes Group

Primes in-house capabilities

Magellan

Doncasters

Firth Rixson

Customer Services

Third Party Repair Centres

Operators in-house capabilities

	Civil	Military
GE/CFM	✓	✓
Pratt & Whitney	✓	✓
Rolls Royce/Eurojet	✓	✓

Flash Welded Rings

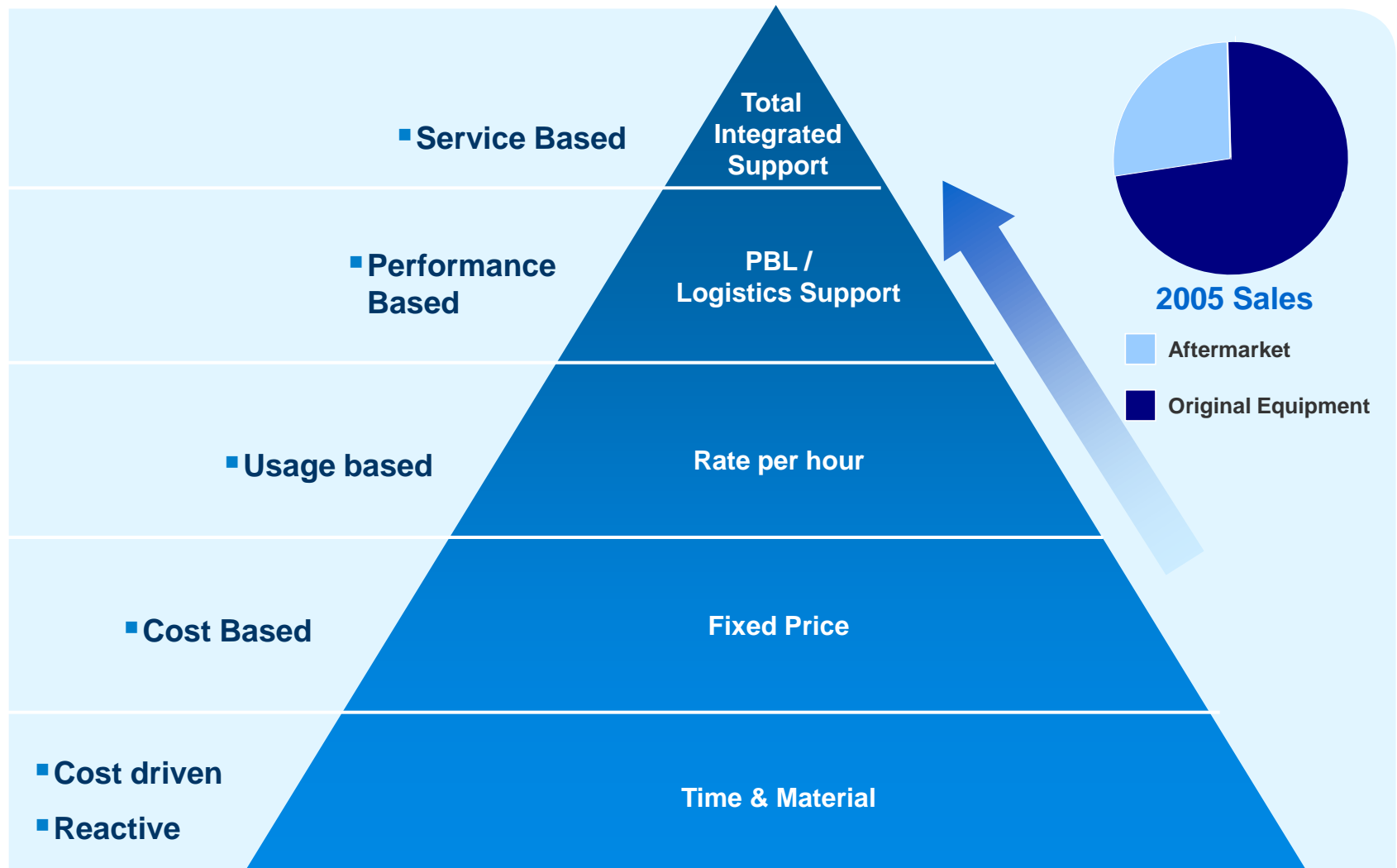
Machined Combustors

Machined Shafts

Fabricated Mixers

Engine side wall



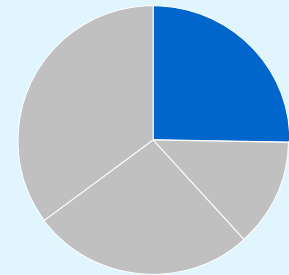


How are we performing?

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Smiths Aerospace performance in H1 2005

£ m	H1 2005	at constant currency
Sales	514	+17%
Operating Profit	39	+24%
Margin	8%	



Contribution to Smiths Group operating profit



US 101



Eurofighter

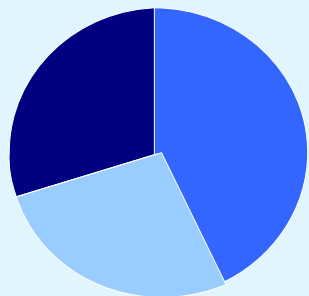


Boeing 787

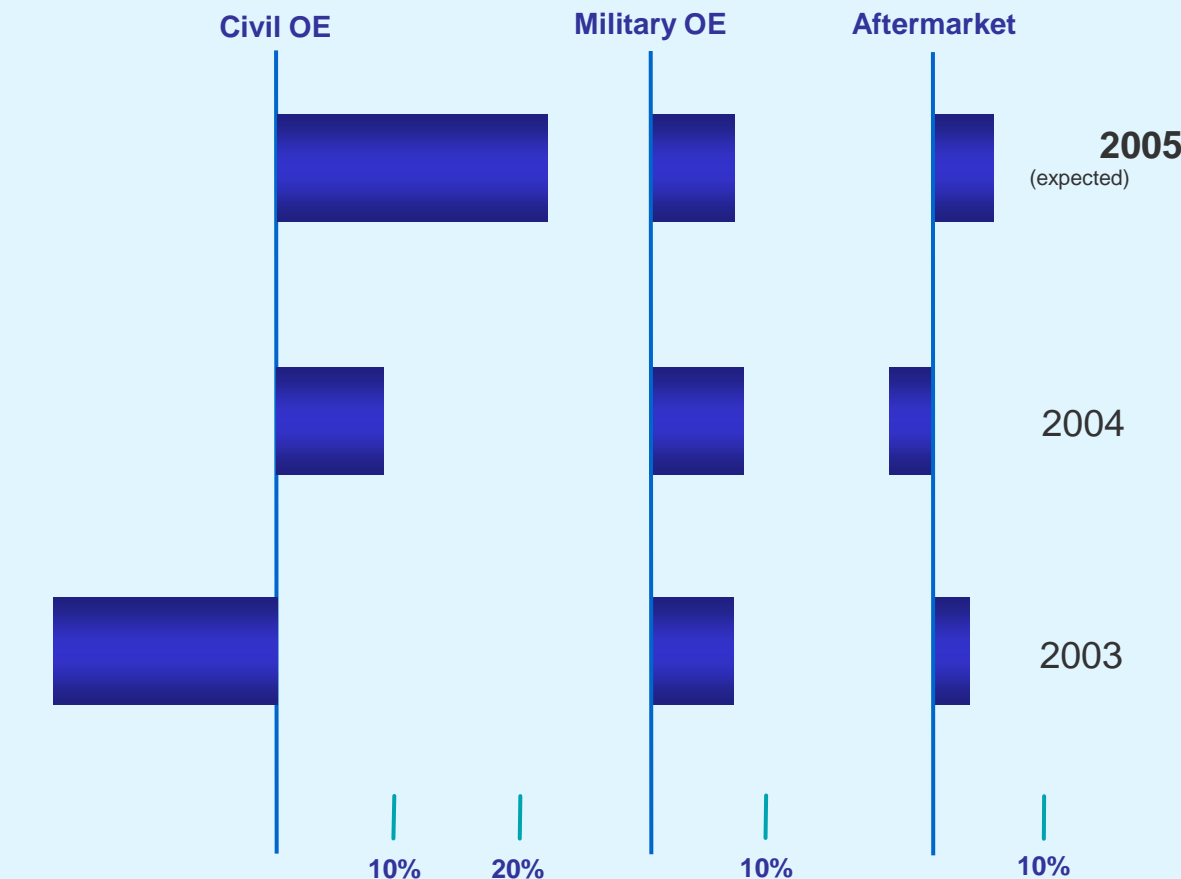
- Delivered first system for Airbus A380, F-35 JSF, C-130 AMP
- Development work on Boeing 787 Dreamliner on schedule
- Selected for complete landing gear on X-47B
- Teamed with Lockheed on US 101 Presidential helo fleet
- Capacity in China doubled by 2006
- Engine component plant in Poland being expanded

Smiths Aerospace: Sales Trends

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2005 sales



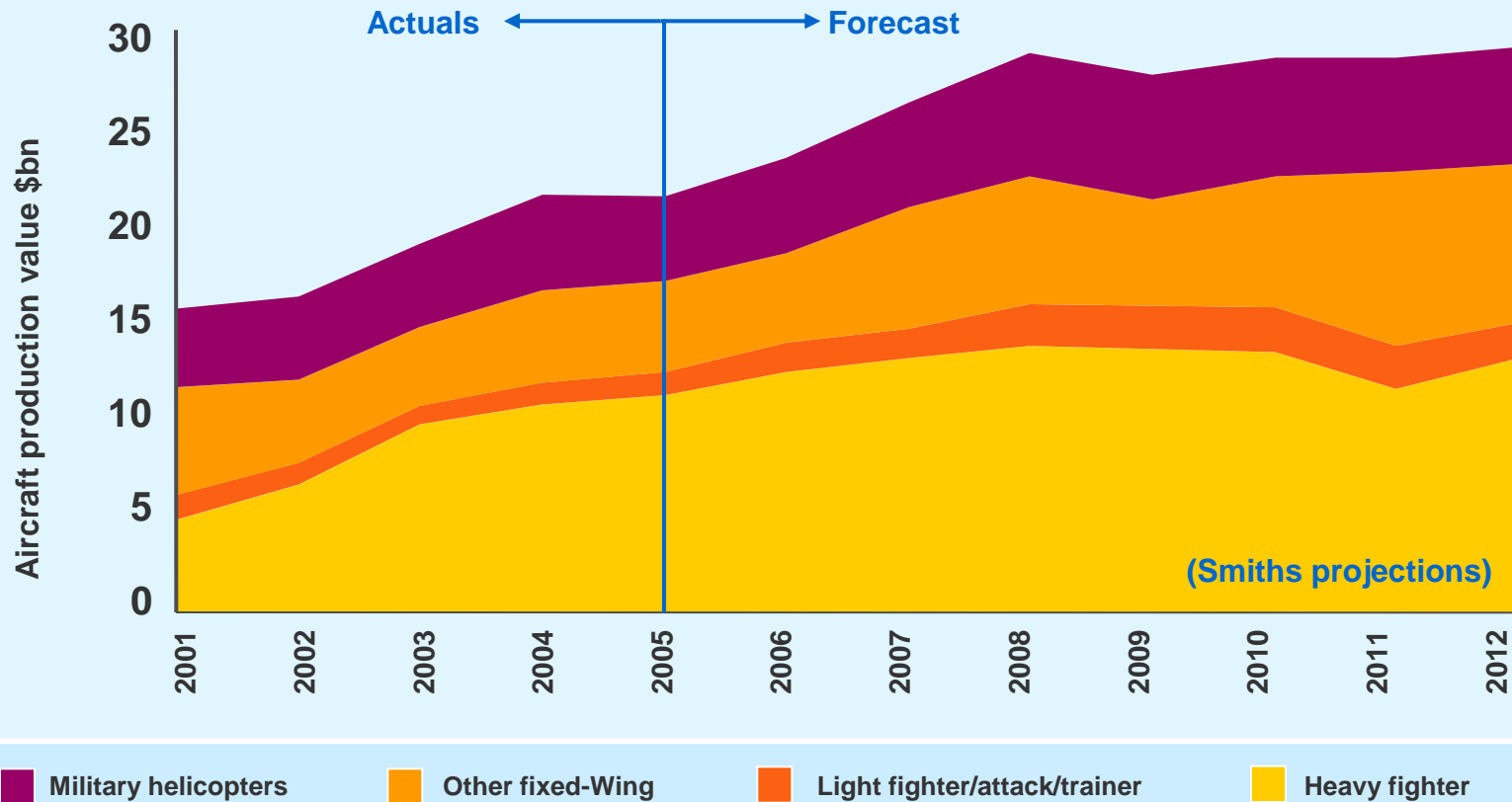
(underlying growth, excluding acquisitions at constant currency)

Smiths Aerospace:

Continuing strong performance in the defence sector

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Global military market

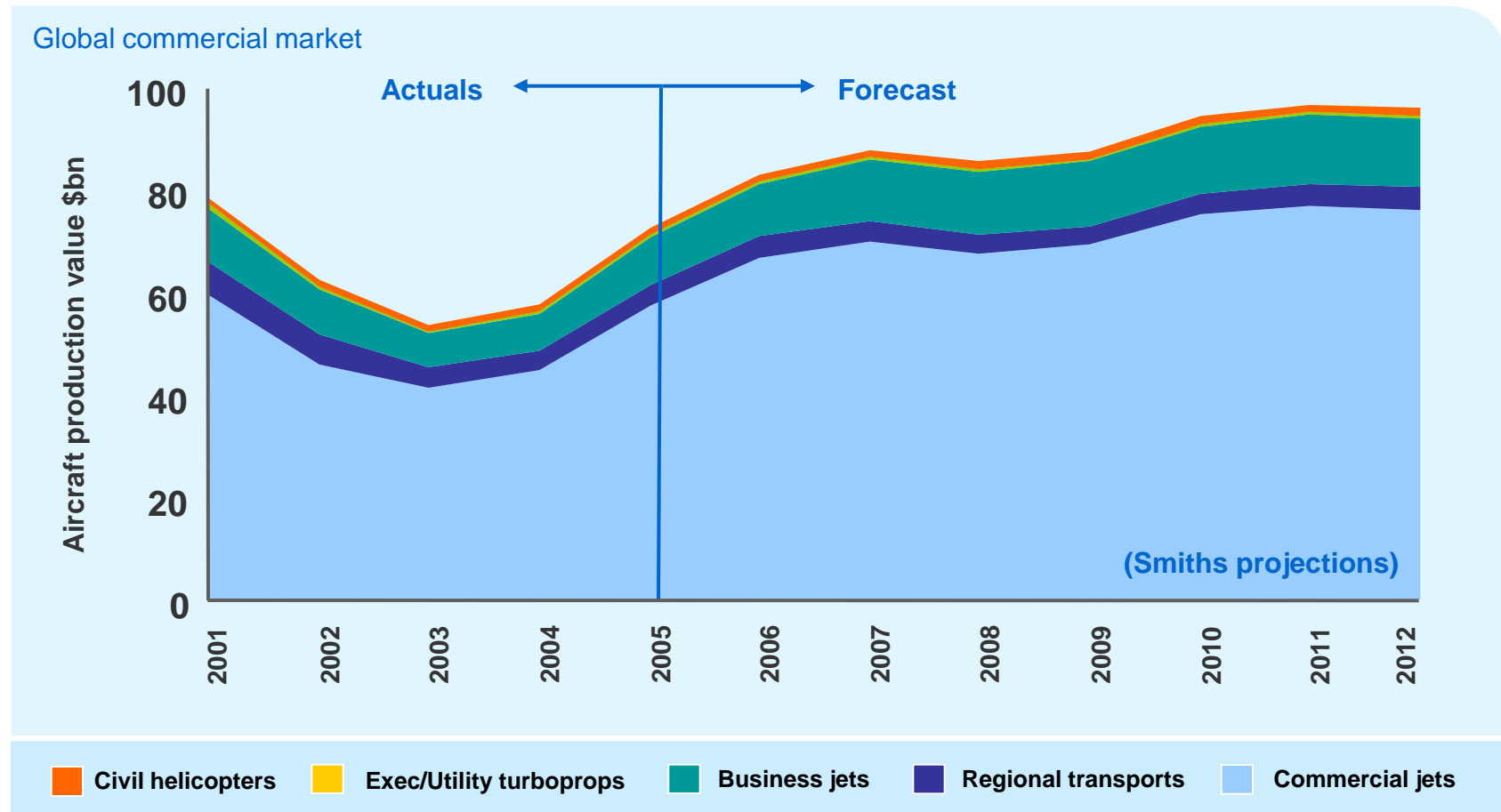


Smiths will increase its market share when market levels off

Smiths Aerospace:

Significant growth in the commercial aircraft sector

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Smiths is increasing market share, opportunities in later years for new narrow bodies

- US defence spending flattening
- The civil aerospace industry is recovering
- Airline customers are still making huge losses

So why is Smiths so confident?



We have strong platform positions - gaining market share



Supported by increased R&D



Engine Components business delivering planned growth



Sustained drive on all aspects of cost

Smiths Aerospace



Smiths Group