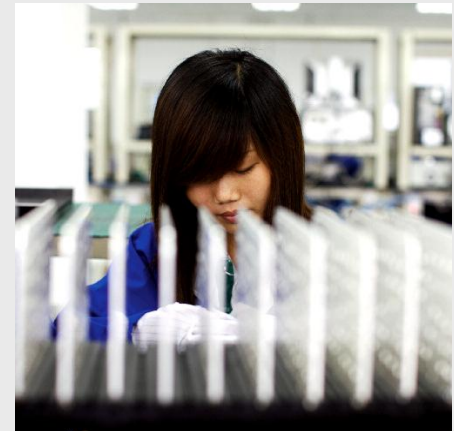
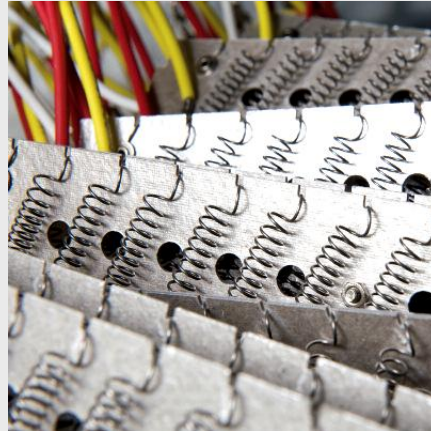
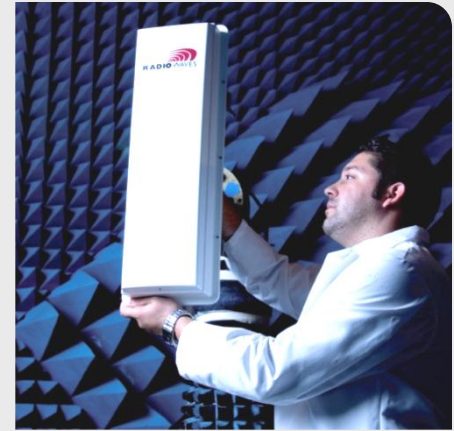


smiths

bringing technology to life

Smiths Group
Annual General Meeting
17 November 2009



This presentation contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and the Company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

Introduction



Philip Bowman,
Chief Executive

Financial highlights

Reported results:

- Sales increased by 15%
- Headline operating profit up 10% - currency and recent acquisitions

Excluding acquisitions and at constant currency:

- Sales declined 7% and headline operating profit fell 13%
- Challenging economic environment

Significant improvement in cash generation

- Free cash flow up £165m to £256

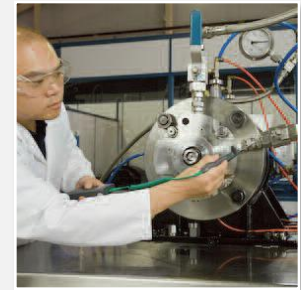
Smiths Detection: Variable order flow has affected sales and margins

- Reported sales down 2%; underlying sales down 17%
- Weak orders for ports and borders
- Exceptional military growth
- Transportation sales flat
- Better start to the new fiscal year



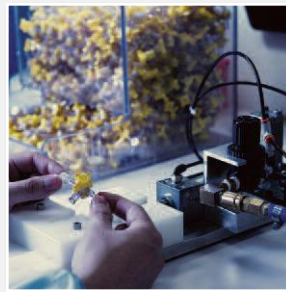
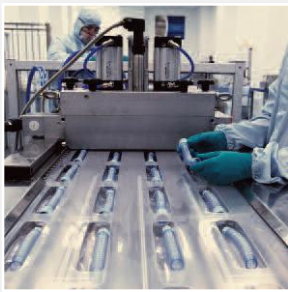
John Crane: Improving margins while OEM orders have slowed

- Reported sales up 26%; underlying sales down 1%
- Second half slowdown in original equipment sales
- Orion bearings acquisition expanded addressable market
- Restructuring programme is on track
- Scope to expand margins in challenging environment



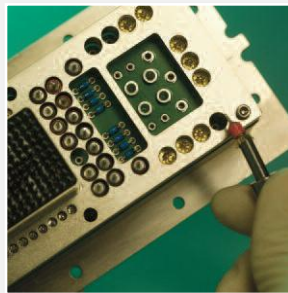
Smiths Medical: Delivering operational improvements and better sales momentum

- Reported sales up 19%; underlying sales down 2%
- Pressure on capital budgets constrained hardware sales
- Single-use devices (80% of sales) have performed better
- Operational improvement – reduced back orders
- Increased R&D and expansion in China



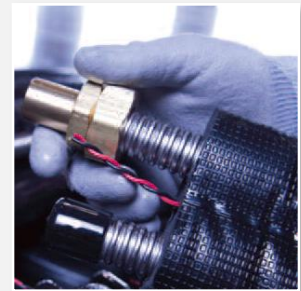
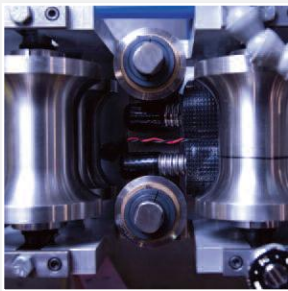
Smiths Interconnect: Good growth from military; wireless slower

- Reported sales up 22%; underlying sales down 5%
- Slower sales in wireless and connectors
- Military grew well with new contract wins
- Restructuring is starting to deliver benefits
- Expanding footprint in Asia with acquisition of Dowin



Flex-Tek: Facing challenging markets; growth in aerospace

- Reported sales up 8%; underlying sales down 15%
- Pressure in US housing and household appliances
- Cost cutting helped sustain profit margins
- Aerospace sales performed better
- A lean business strongly leveraged to a recovery



Smiths Group: A business in transformation

	2005	2009
Sales	£3.0bn	£2.7bn
Operating margins	14%	16%
Cash conversion	62%	104%
Return on shareholders' funds	11.2%	16.5%

Smiths Group: Opportunities to create value

Delivering operational efficiencies

Cash generation

Investing in future growth

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