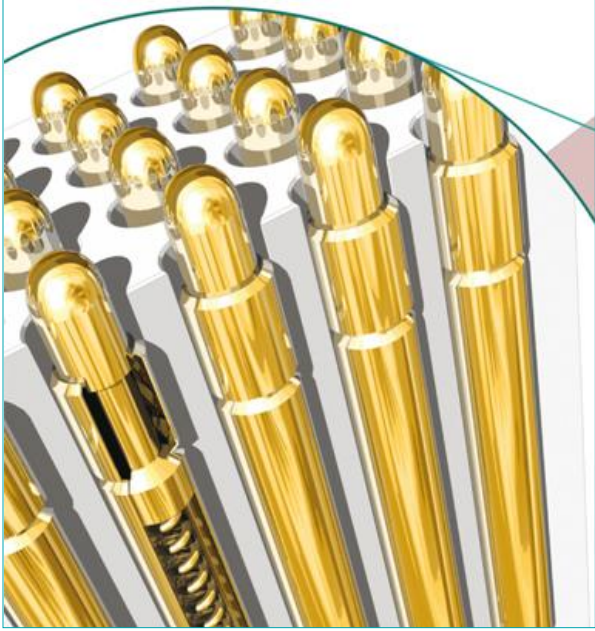
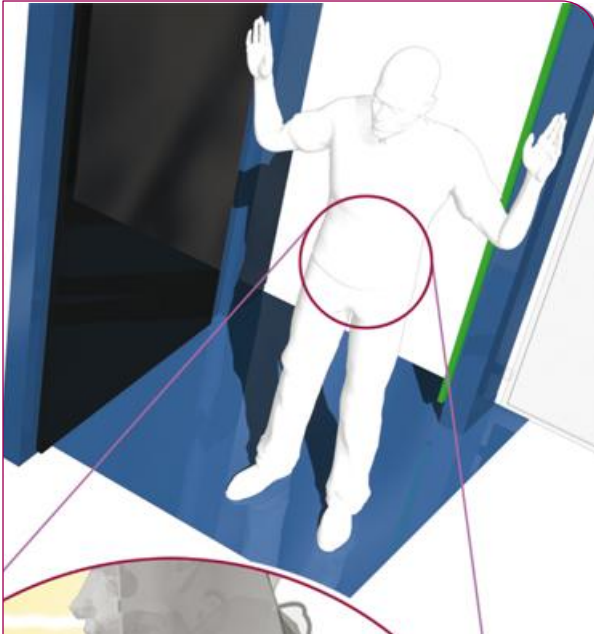
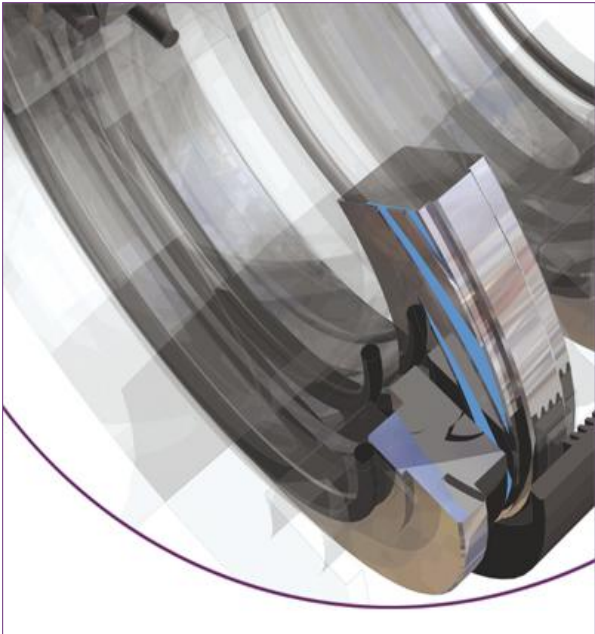


# Annual General Meeting

16 November 2010

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This presentation contains certain statements that are forward-looking statements. They appear in a number of places throughout this presentation and include statements regarding our intentions, beliefs or current expectations and those of our officers, directors and employees concerning, amongst other things, our results of operations, financial condition, liquidity, prospects, growth, strategies and the business we operate. 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 unless otherwise required by applicable law the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this presentation should be construed as a profit forecast. The Company and its directors accept no liability to third parties in respect of this document save as would arise under English law.

## Introduction



## Business highlights

Reported sales up 4%; underlying flat - driven by 5% growth in H2

Margins improve 210 basis points to 17.8% - a ten year high

Positive margin development across all divisions

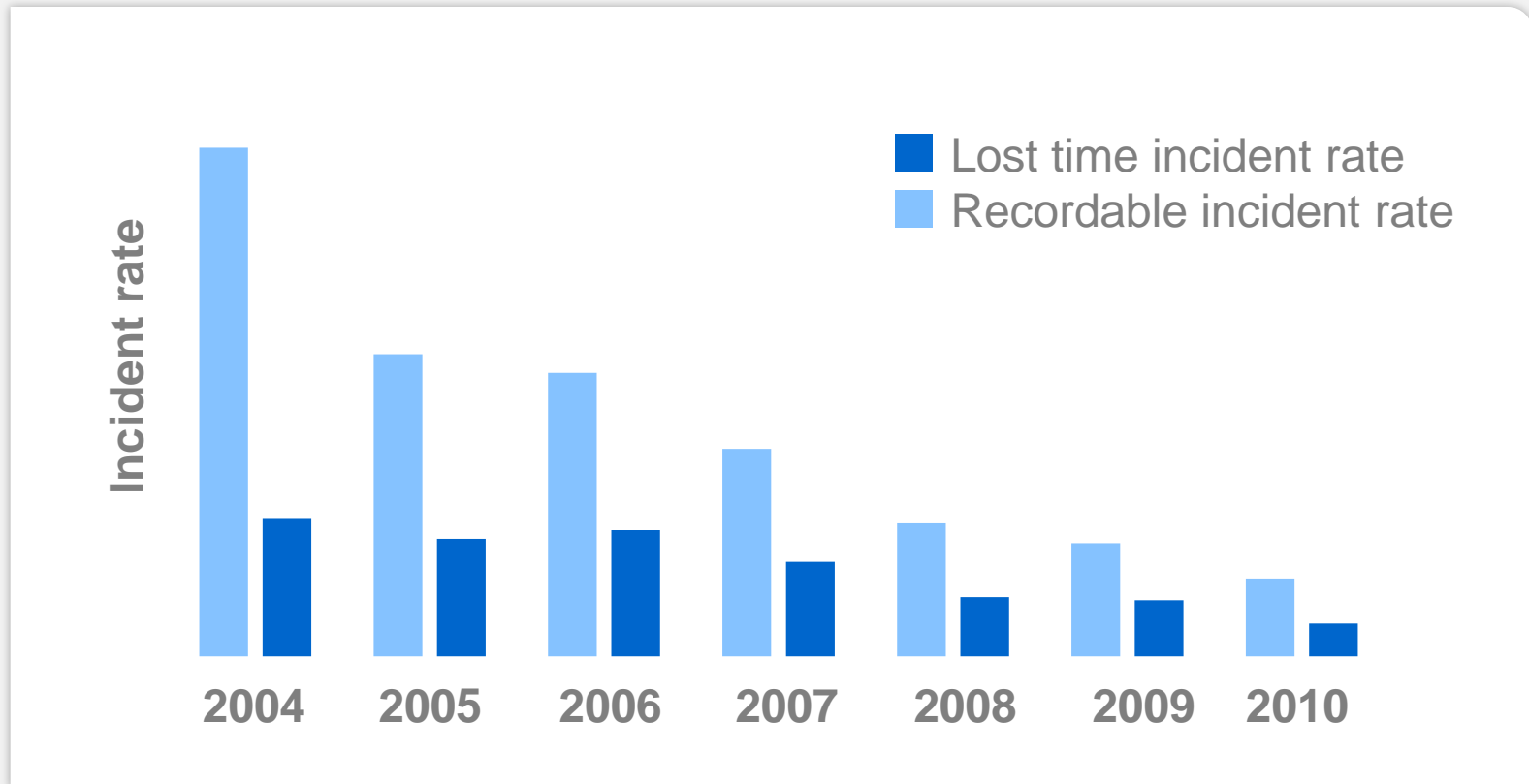
Headline operating profit up 18%, underlying up 14%

Significant improvement in cash generation - free cash of £331m

Total dividend unchanged at 34.0p - moving to progressive policy

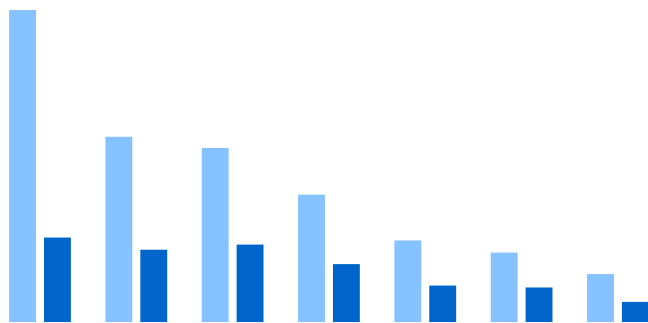
## A primary focus on safety is delivering continued improvements

Recordable & lost time incident rates have been improving

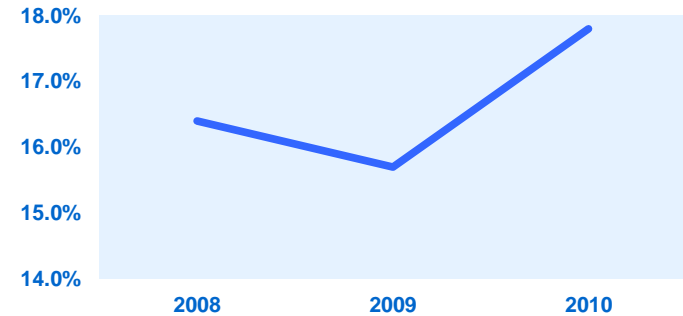


# Smiths Group: Operational improvement is delivering results

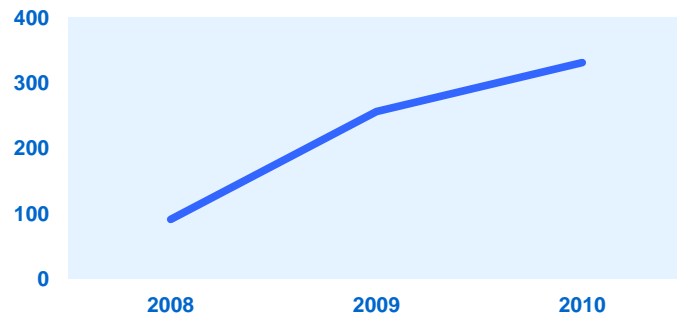
## Sales growth (£m)



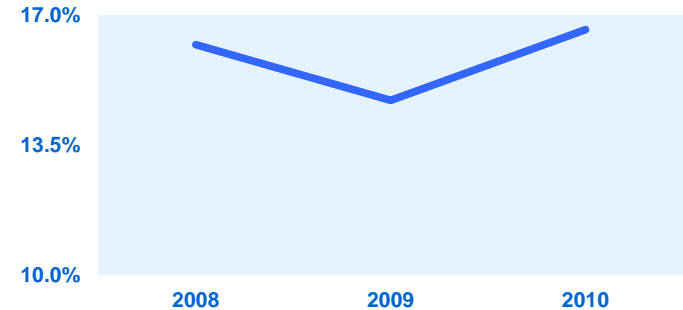
## Improving margins (%)



## Strong free cash-flow (£m)



## Enhancing returns on capital (%)





# Smiths Detection: Sales growth and margin improvement

- Underlying sales up 13%; margins up 310bps to 15.7%
- Transportation rebounded strongly – new contract wins
- Ports and borders up 66% as order delays eased
- Military benefited from chemical agent detector sales
- R&D increased to support new product launches



## John Crane: Margins benefiting from restructuring programme

- Margins up 260bps to 20.7%; underlying sales down 5%
- Savings generated by global restructuring programme
- Aftermarket service revenues grew 1%
- First-fit original equipment sales fell 15%
- Expanding our global network: sales and service centres





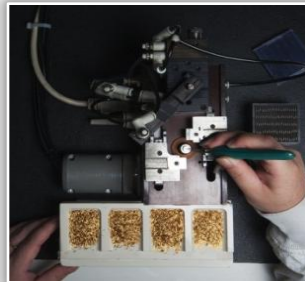
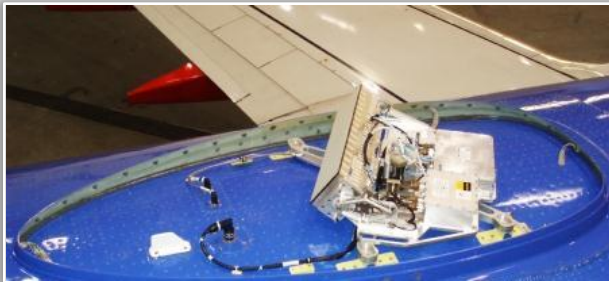
## Smiths Medical: Delivering positive sales momentum and margin growth

- Underlying sales grew 2%; margins up 180bps to 21.5%
- CADD®-Solis smart pump performing well
- Growth in temperature management and airway
- Safety needle products gained from H1N1 vaccination
- Restructured to create global management teams



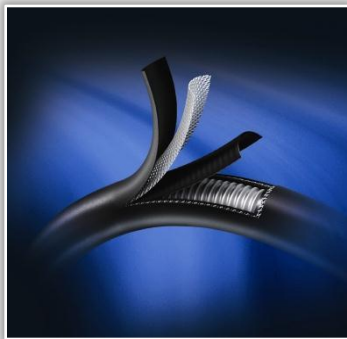
## Smiths Interconnect: Delivering margin growth; launching new products

- Underlying sales down 3%; margins up 80bps to 18.2%
- Operational efficiencies and procurement initiatives
- Mil/aero boosted by KuStream broadband antenna
- Wireless telecoms slowed, test equipment grew
- Interconnect Devices Inc. acquired and performing well



## Flex-Tek: restructuring enhances margins in tough sales environment

- Margins up 180bps to 11.1%; underlying sales down 6%
- Difficult trading environment with improving trend
- Residential construction and appliances revival
- Declines in sales of aerospace components
- Launched new products: FlashShield, new fuel hoses



## Smiths Group: Opportunities to create value

**Delivering operational efficiencies**

**Cash generation**

**Investing in future growth**

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