Thank you, Philip. Just a few opening remarks about Flex-Tek and, of course, today we appreciate the opportunity to come tell our story. Shan Hood is with us today, he covers business development and strategy as Vice-President. He will focus on products, markets and technology in competition, and he probably won't sound like he's from South Carolina.

SLIDE – FLEX-TEK OVERVIEW

Flex-Tek is eight years old. We began by being purchased by Smiths in 1991 as Flexible Technologies. During the '90s, we had a pretty good record. We doubled sales and improved profits over five times. Therefore, when we were part of specialty engineering, we were requested to help with some other companies within Smiths, namely Tutco which makes heating elements; Flexible Ducting, which makes hose; Titeflex, from the TI purchase which actually turned out to be three different businesses instead of one; and three European small hose company acquisitions.

Aside from that, we have purchased three companies ourselves since 2006 -- one industrial ducting company and two specialized heating element companies. Gone, at this time, are the three small European ducting companies.
We have approximately 100 competitors, mainly private across a large amount of fragmentation. In Flex-Tek, we have over 65 different processes, which even include our -- making our own wire drawing and Teflon tube. Basically, we've had a good record of dealing with cultural turnarounds, cost issues or pricing that requires a rethink. A lot of people just call us pretty decent fixers.

A quick look at what we did. First of all, we're a component maker. We heat and move fluids and gases. We're in the aerospace, medical construction, domestic appliance, general industrial and automotive market segments.

The pictures show one thing we do on the bottom left. There's a complex geometry for rigid tubing in aerospace. We also make flex tubing in aerospace and a combination of flex and rigid tubes along with fittings to mainly deal with hydraulic.

You will also see two brands of CSST gas transfer hose. Typically in Flex-Tek, we normally have a marketing profile that goes across the group of good, better, or best. And our business is split approximately 50/50 between OEMs and distributors.

**SLIDE – OBSERVATIONS ON FLEX-TEK: AN ATTRACTIVE BUSINESS MODEL**

Why is Flex-Tek an attractive business model? Leading brands in four very distinctive markets have allowed for share gains. Restructuring initiatives have been very successful over the last three years. 75% of our sites have doubled their return on sales. Our margins are highly leveraged to the recovery in construction and certainly any improvement in consumer spending.

We can further capitalize on a more focused R&D effort. Our new specialty heating element groups have provided some real good situations for us to
improve sales in the last two to three years, extensions in aerospace and transport sectors and we’re early in Asia. Strong cash conversion and return on capital employed are metrics. I would have to say to everybody here we’ve known for a long, long time in Flex-Tek how and where we make our money.

**SLIDE – FLEX-TEK AT A GLANCE**

How are we now arranged in Flex-Tek? Originally, we started off in eight very fragmented organizations as these businesses were added. FY ’10 thankfully was a better year for us where the lines started going back again. We completed the restructure. The organization was finally completed into four distinctive groups.

During FY ’11, we've upgraded our marketing representation across each group. I think it would suffice to say that we're very happy the moving is over. And during that time, we also invested in three Asian sites.

Our groups are now 30% fluid management, which is all high pressure fluid for gas hose for OEMs, mainly aerospace where we work with the OEMs providing customer solutions and know-how is extremely important.

Heat solutions is also 30% of the group. This is mainly open coil for clothes dryers and HVAC equipment. As mentioned, we've added specialty support. And, again, know-how in working with the OEMs is very critical.

25% of Flex-Tek is our construction group. It is the oldest part of our group in many respects. Leading brands for premium distributors. The names Thermaflex and Gastite really matter in these businesses. Exceptional relationships matter. Exceptional service matter. I know we’re winning here in this group.
The last group that comprises Flex-Tek is now called Flexible Solutions, namely its low pressure hoses for OEMs and distributors. Recognizable names are McMaster, Grainger, Dyson, Philips, a wide range of variety and know-how.

Excepting constructions, all group -- excepting our construction group, all groups now have both European and Asian representation. Central air and heat systems just aren't popular in the rest of the world at this point.

**SLIDE – FLEX-TEK HISTORIC PERFORMANCE**

Our historic performance. As indicated FY '10, the line's moving in the right direction again. Certainly, difficulties in housing despite the fact down there we're winning and taking share, overall consumption, hurt in the recession.

And then we made a conscious decision ourselves to exit retail, mass marketed floor care products where margins were decelerating, the end unit depreciated in value substantially by well over half, I mean, a $400 vacuum cleaner turned into a $150 vacuum cleaner with the exception of Dyson. And there's just no reason to chase that kind of thing. And I think it proved to be a good decision for us. And it didn't fit our high brand, high specialty type product strategy.

Successes have been clearly the restructure and organizational positioning. The marketing program that we launched about a year and a half ago across the construction group where we now sell a range of products to premium distributors. And, of course, our pricing has been upgraded in businesses where it was clearly not adequate. One group's profit in the last four and a half years has improved $20 million on no change in sales.

The next three slides will now talk about our three major markets which represent 85% of our total. Fluid management is 30% of the total and, again, is mainly aerospace. It is without question the largest group we have now. It's 85%
commercial, 15% military and space. Key drivers are fuel efficiency, passenger traffic, maintenance cost.

**SLIDE – CORE MARKETS: AEROSPACE**

The global market appears solid-looking as was indicated by the previous presentation. We see a seven-year strong backlog. The general aviation trend has certainly improved from 2008. Fuel efficiency and maintenance really drive replacement. And the growth in passenger traffic around the world looks good especially in cargo. We're in 80% of the platforms as noted in the chart on the bottom left; in the 737 and the A320, we are respectively in mid teens chipsets.

**SLIDE – CORE MARKETS: DOMESTIC APPLIANCES**

Domestic appliances, again, largely for providing heat solutions are 30% of the profile. Clothes dryers and HVAC equipment are the key products in this group although we have added specialty type heating elements over the last two acquisitions since 2006. Drivers are energy, user-friendly features and consumer spending.

The global market looks positive, at well excess of 1 billion. Developed markets really look for faster cycle times and energy efficiency. Demand's growing in developed markets for that, 120 million homes have central air and heat and replacement is going to be necessary because a significant portion of them are over 10 years.

Continued upgrades in SEER ratings are very, very important here and we've benefited from those in the past. We think this business is about 50/50 in terms of replacement and new construction. And, again, it's know-how providing customer solutions and we certainly have the best lab in the industry.
Finally, the US construction market, it's all built around ease of installation as far as our products go. We move air or transfer gas. This business is about 85% residential and 15% commercial. In terms of moving air, we have two very well recognized brands, Thermaflex and EverClean.

And historically, they've attacked sheet metal in terms of displacing something in the market for ease of installation as well in transferring gas we have Gastite, FlashShield and they actually end up with all the proprietary fittings we sell manifolds, et cetera. We sell a system for connectivity there to the main appliances that are in your home to the manifold. And those of have all attacked black iron pipe over the last 10 years.

Everybody knows this market is tough. However, we've gained substantial share by combining air gas heat solutions and distributor heating elements now. We've exceptional customer service; our credit management is rock-solid.

We deal with the very best distributors. Return on sales remains the same in this business as when the housing was at its heyday. Where we can benchmark, and that's normally come from when we look at people to consider, our returns are about three to four times theirs.

Now, I will turn it over to Shan, who will cover the markets customers' technology and competition.

Thank you Tedd and good morning to everyone.
I'm going to spend a little time this morning giving you an overview of the
4 divisions that comprise Flex-Tek. I will also tell you about our products, the markets, applications and our value proposition.

SLIDE – FLUID MANAGEMENT

I’m going to start with our Fluid mgmt business.

As you can see in this picture applications on commercial airplanes include fuel and hydraulics routed throughout the plane for landing gear, flight control surfaces, reverse engine thrusters. Our tubing routes the fluids safely & efficiently from point A to B.

SLIDE - MARKETS

On the next slide you can see the markets for our products are not solely limited to commercial aircraft. Our specialized hose technology is adaptable to biz jets, satellite launch vehicles, industrial, & automotive applications. A little over 2/3 of our sales are derived in North America. Facilities in France and India supply the rest of the world.

SLIDE – PRODUCTS AND CAPABILITIES

We manage the business in 3 segments:

- engines & airframes

- overhaul & repair

- industrial & automotive
We just spoke about the engine / airframe segment. The overhaul & repair business represents about 10% of the division's revenues and continues to grow. We have aviation certifications from American, European, and Chinese authorities as well as rights ownership to numerous repair manuals. 3/4 of our work is performed on competitor's products.

Our automotive applications are primarily in braking with opportunities for growth in fuel and turbo diesel applications. The industrial segment is highly fragmented and opportunities are available where high pressure, high temperature, aerospace pedigree tubing is required.

**SLIDE – CUSTOMER AND COMPETITIVE POSITION**

Our main customers are the blue chip players in the aerospace market. As Tedd said earlier, we have positions on 80% of the top 10 commercial planes in the current backlog.

New positions on new planes such as the Sukhoi Superjet and the COMAC ARJ21 are the result of work started several years earlier. Barriers to entry in the market are high. Certification, testing, engineering support, and financial backing are mandatory.

While we are currently focused solely in tubing, 2 of our competitors have the ability to provide complete systems including pumps, valves, electronics, sensors, etc. However, specific to tubing, we are the technical leader.
SLIDE – SUMMARY

In summary:

- Globally positioned to address a global market
- High barriers to entry
- Technical leader in flexible and rigid tubing
- Positive market dynamics

SLIDE – HEAT SOLUTIONS

Next I’ll provide an overview of our heat solutions business. On the screen you can see an example of one of our specialized heaters, a miniature heat torch. A customer came to us with a need to seal small containers containing blood samples in real time. We successfully designed a heater to the size and performance criteria required and greatly improved the efficiency of the operation.

SLIDE – MARKETS AND PRODUCTS

In addition to this specialty segment of our heat solutions business we supply heaters to the HVAC and clothes dryer markets. HVAC represents 50% of the sales and clothes dryers 25%. We are the global market leader open coil heating.
Our brand is recognized globally and we supply over 85% of the clothes dryer heating elements in North America.

**SLIDE – CUSTOMER AND COMPETITIVE POSITION**

Our customers are the market leaders in global household appliances and HVAC systems. These customers demand quality, reliability and service. Most of our competitors have a broader range of heating technologies. Our specialized expertise keeps us the leader in open coil technology. However US applications quite often differ from the rest of the world due to size and scale. We need to continue to invest in R&D to develop other heat technologies.

**SLIDE – SUMMARY**

In summary:

- We have a strong market position and brand in North America which can be leveraged globally

- Our facilities in China and Mexico can be leveraged for further margin enhancement & local sales growth

- Continued investment in R&D will broaden our technology range

- While developed market growth is projected in the single digits, emerging markets & new technology will continue to drive demand.
The construction products division of Flex-Tek represents 25% of our revenue. As Tedd highlighted earlier – seasonally adjusted single family annual housing starts in the US are down over 70% from 2005 and down over 50% from the past 20 year average of just over 1 million per year. Against this backdrop we have gained market share in both our ducting and gas piping businesses.

Two interesting facts, about half the houses in the US are supplied with natural or propane gas and over 2/3 have central HVAC systems. This basis is unexpected to change and bodes well for our products when the market improves. The division is equally split between flexible gas piping systems and HVAC ducting. We utilize a similar go to market strategy for both businesses, based on service, quality, and strong relationships.

Our ducting product line is complete with both insulated and uninsulated products for both residential and commercial applications. We have also introduced a new anti-microbial duct which resists mold, mildew, and fungus. Our flexible gas piping system provides complete flow from the street to the meter to the appliance in your home.

Our continued investment in R&D resulted in our new multilayered FlashShield products as well as new applications for our flexible gas tubing.
SLIDE – FLEXIBLE SOLUTIONS

Next our Flexible Solutions manufactures lightweight flexible hoses and ducting for a wide range of application. These products transfer high volumes of air at low pressure to either heat or cool air or move lightweight solids.

SLIDE – OVERVIEW

This division represents 15% of our total revenue. We manage this division by addressing the 3 key markets: medical, industrial, and floor care. As Tedd said earlier we have managed a strategic exit from the retail floor care segment for low end applications.

SLIDE – PRODUCTS AND CAPABILITIES

The portfolio now looks like this:

Industrial Ducting for ventilation, dust control, & high temperature applications with a longstanding customer base

Floor care hoses and systems for high end canister vacuum cleaners and whole house central vacuum systems.

Medical hoses for sleep apnea, laser surgery, smoke evacuation, and respiratory therapy.

Next I would like to talk a little about our investment in Flex-Tek for both new products and geographic expansion.
Airlines continuously look for new ways to reduce fuel consumption and carbon emissions, and cost per passenger mile. Hydraulic systems on aircraft operate at very high pressures utilizing high pressure, flexible hoses are braided with stainless steel wire.

We developed a Kevlar® braided, Teflon® lined hydraulic hoses, FAA approved, 5000 psi rated, 50% weight reduction.

Other examples of new product development in a specialty heater for CT scanners to maintain constant temperatures and higher quality images and a new heated sleep apnea hose which utilizes a heating element to control the temperature differential between the inside and the outside of the hose to eliminate condensation and improve patient comfort.

In addition we continue to invest in R&D. As I said earlier our heat solutions business are specialists and leaders in open coil technology. We are working on new methods to create heat efficiently with new materials, methods, and designs. We have also identified new market opportunities for existing products.

Just as our gas delivery tubing keeps gas inside the tube, we identified an opportunity to keep environmental gases out of the tube and utilize this a underground conduit for fiber optic cable.
SLIDE – INVESTING IN GROWTH – ASIAN MARKETS

In Asia, we continue to invest in our 3 existing sites:

- Heating elements in China

- Floorcare and medical hoses in Malaysia

- Aerospace tubing in India

Our aim when selecting these locations was local production for local consumption. As you can see from our list of customers, we have successfully secured business in these emerging markets.

Thank you for your time and I will now turn this back over to Tedd for some final comments.

SLIDE – TEDD SMITH - PRESIDENT, FLEX-TEK

SLIDE – DRIVING EFFICIENCIES

Thank you, Shan. In terms of just closing out and summarizing, I think it's been critical in our driving efficiencies that we were able to take the organizations and rationalize them and get some cohesiveness amongst the markets.

We're now aligned to compete in measure just as you should. We've had a dramatic drop in the fixed cost base, which was only applicable to five out of our eight groups to begin with. The change in the sites and the square footage --
and I'll just make it simple for the sites -- there are net, and we did invest in Asia in three sites during that period of time our restructure.

We had a significant improvement in productivity. Our safety dramatically improved in the group. And our environmental metrics are very, very good also at this stage. As I mentioned, 75% of the sites doubled their return on sales in three years.

SLIDE – VALUE DRIVERS

How do the value drivers look for our group at this point? Well, we're certainly well positioned at this point to double the sales of our group with very little capital. I would also say that in Flex-Tek keeping below fixed cost base will be maintained while adding marketing and R&D resource.

And I think people that work in Flex-Tek understand that ROCE and cash conversion need to stay strong attributes. Externally, I think airline demand looks promising. Small improvements in housing really drive the margin in this group, considering how leveraged we are.

I think we would be driven by replacements still in the appliance sector. As I mentioned, we're early in Asia. We got very good brand strength leveraged across premium distributors. I can't say enough about how well that has helped us. I like our chances versus the competitors a whole lot.

SLIDE – OBSERVATIONS ON FLEX-TEK: AN ATTRACTIVE BUSINESS MODEL

In summary, why, attractive. First of all, let me thank everyone at Smiths for including us today. Shan, thank you very much for putting this presentation
together. Craig Berry is also with us. He’s got us a first class website at this point. And, Peter, thanks to you and all the people that had to help us practice.

Leading brands, best-in-class manufacturing, best class distributors, margin enhancement on restructure. And I would add to that, we always look at every angle in Flex-Tek every year, and that won’t change. Know-how, solving customer problems quickly, understanding that exceptional customer service is really going to be the differentiator in times to come.

We’re highly leveraged to recovery in both the construction and consumer segments. The organic growth opportunities via R&D and more marketing focus for specialized niches in heating elements, Asia, shared gains across distributors and replacement, I think are opportunities for us.

I would say, lastly, a very strong team who will do what they say. And we thank you very much. Phil? Back to you, sir.

Philip Bowman: Tedd, thank you very much, indeed. Generally, when we have the half yearly result sessions, it’s sort of difficult to eke a question out of any of you guys to ask Tedd when he comes all the way over from South Carolina. So that’s one of the reasons we have to bring the show here today was so Tedd got a chance to set out some story about Flex-Tek.

Seriously, probably of all our businesses, Tedd has had to confront the most difficult external economic conditions of any of them. And I would like us to thank him and his team for doing what I think has been a fantastic job under some very, very difficult circumstances.

It’s not often you lose 70% of your market over the course of a couple of years as he saw with housing starts. So, against that backdrop, questions for Tedd and Shan on Flex-Tek, please.
QUESTIONS AND ANSWERS

UNIDENTIFIED AUDIENCE MEMBER

Sorry to bombard you -- I guess, I don't know the Company well, so I'm fresh -- so I do have questions. Three quick questions, and I'll ask them in order, and you can answer as you wish. In aerospace two questions. First of all, as a tier two supplier, is the certification both on the product that you're providing and the manufacturing site making it difficult to move manufacturing site? That's one.

Secondly, both in aerospace and automotive and other areas, there's a lot of talk about shifting from hydraulics to electrical controls. The question is whether or not -- and, of course, what you're presenting is that it's not a problem for you, but is it something we should be aware of?

Thirdly, in a different area -- in appliances. At the beginning of the year, I spoke with a small supplier to the same businesses that you supply. And, surprisingly, the supplier said that the manufacturers were actually ordering -- they had a significant growth built into their orders given what was going on. I'm just wondering are you seeing the same thing? Do you have any kind of view on the appliance sector in terms of your prospects going forward?

PHILIP BOWMAN – CEO – SMITHS GROUP

Tedd, I think those all fall firmly onto your lap.
TEDD SMITH – PRESIDENT, FLEX-TEK

I think I'll take the first one -- I mean, the last one. And, Shan, you want to take the first two? In terms of the appliance, I think that clearly most of the guys had a great first quarter when you had that conversation.

SHAN HOOD – VP BUSINESS DEVELOPMENT, FLEX-TEK

Yes, with respect to tier two supplier, yes, we do have site-specific manufacturing for our products, so they are not just easily mobile, moving from point A to point B. With the shift to electronics versus hydraulics on airplanes, certainly, items such as break by wire and other electronic controls are mentioned. Are they under development? Absolutely. Do we continue to monitor them? Yes, but, right now, they're not commercially available.

So, it is something that's talked about. It's been talked about for several years, but, right now, it's not going to affect us tomorrow morning. But we do follow the electronic actuation versus hydraulic actuation very closely.

PHILIP BOWMAN – CEO – SMITHS GROUP

Okay? Next question.

Yes? Third row on the right-hand side, please.

ALEX TOMS – BANK OF AMERICA MERRILL LYNCH

Hi, Alex Toms from Bank of American Merrill Lynch. Just a question on pricing. In general, how should we think about pricing across the areas of the business in terms of going through distributions or end markets or OE markets? How do we
think about pricing on an annual basis? And what pricing power have you got? Thank you.

PHILIP BOWMAN – CEO – SMITHS GROUP

Tedd?

TEDD SMITH – PRESIDENT, FLEX-TEK

We always price from the value-added point view. And, I mean, I think we have a lot of value added. And I think we’ve traditionally have been able to recover any commodity inflation as well as other forms of inflation that might be in the value added formula.

PHILIP BOWMAN – CEO – SMITHS GROUP

Next question? The fourth row on the left.

RAMI MYERSON - UBS

If you can just – Rami, from UBS, If you could just talk a little bit about the competitive environment at the moment and the level of consolidation. Do you expect further industry consolidation, or do you think that we are -- we’re stabilizing and everybody’s getting ready for what’s eventually the improvement in construction in the US?

TEDD SMITH – PRESIDENT, FLEX-TEK

Do I think there'll be a lot of consolidation across people we compete with in construction? I think that you may have some them actually go out of business -- I would hope.
I think you have an awful lot of consolidation at the distributor level with the Fergusons and the Watscos and people like that. Below that, in terms of like alternative duct suppliers, they're almost all private or a piece of a large company that it's amazing they're allowed to make some of the money they do without (inaudible).

PHILIP BOWMAN – CEO – SMITHS GROUP

Any other questions?

Yes, second row on the right, please.

MARTIN WILKIE – DEUTSCHE BANK

Thanks. It’s Martin from Deutsche Bank, again. You mentioned that your margin is geared to recovery in the US construction market and you also gave it some stats in terms of some of the cost that are coming down -- manufacturing cost down about 20% or so.

Can you give us a sense of how of that is -- fixed cost has come out versus of how much of that was essentially just cost coming down because of lower volume just to give us some sort of impression of the leverage in the business?

TEDD SMITH – PRESIDENT, FLEX-TEK

I’d say probably 90% of it is fixed.
PHILIP BOWMAN – CEO – SMITHS GROUP

Nice, simple answer

Any other questions on Flex-Tek? Sandy?

SANDY MORRIS - RBS

Sorry, this has been an intriguing business over the years. How -- presumably it was Titeflex that gave us our entry into aerospace. How on Earth did we actually manage to grow aerospace so fast? Bearing in mind, we've got to substitute for other people very often on established aircraft programs.

I mean, how did we actually pull that off? Because, if I remember, sales in aerospace have grown in absolute terms despite biz jets and everything falling away quite sharply. And how easy is it for us to keep doing that? You know, a slightly silly question, but I'm really curious how you managed it.

TEDD SMITH – PRESIDENT, FLEX-TEK

You know, I'll give you just an honest answer to that. I think that that business has just a completely new set of expectations that they never understood existed. I think that is so interesting when you become involved in something, the sale to complicated OEMs when you've already have been selling a complicated OEMs in another industry.

And, everybody might think theirs is different and everything. Well, you know what? Guess what? It's not. And so that might just kind of be my answer to that is that we've really evolved the management there over the last several years to understand what they really ought to be doing.
I think, Sandy, I would give one other observation in terms of that, which is not dissimilar from other bits of Smiths. Certainly, when I joined the Company, I think it would be fair to say that parts of the aerospace business didn't know how much things cost and, therefore, didn't quite know whether they were making a profit or a loss.

And we've done a lot of work over the last two and a half years with the major engine manufacturers and the airframe manufacturers to explain to them that this is what how things cost and that we were selling them in many cases at a loss. So, that's part of what we've done.

I think the other thing is we have been successfully in capturing a significantly greater share of the repair and overhaul business than we had before. But, ultimately, as you say, it's a question of getting on new platforms. And we are very focused on making sure we do get on these new platforms. You may not get any benefit in the short-term, but it's a wonderful long-term in annuity once you're on them.

Any other questions? If not, I would suggest then that we break for lunch.