This document contains certain statements that are forward-looking statements. They appear in a number of places throughout this document 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 document and unless otherwise required by applicable law the Company undertakes no obligation to update or revise these forward-looking statements. Nothing in this document 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.
Ralph Phillips
President, Smiths Interconnect
Introduction
Smiths Interconnect

A recognised leader in technically differentiated electronic components and sub-systems providing signal, power and microwave solutions

Our products connect, protect and control critical systems for the global wireless telecommunications, aerospace, defence, space, medical, rail, test and industrial markets
Smiths Interconnect: an attractive investment case

- Leading edge technologies and strong positions in attractive niche markets
- Underlying growth characteristics in diverse end markets
- Strong track record of creating value
- Organic growth through consistent investment in research and development
- Margin expansion through self-help and volume growth
- Opportunities for value-enhancing acquisitions in a fragmented market

Smiths Interconnect Targets*: Sales growth: 6-10%  Margins: 21-23%

*Average annual organic growth over the medium term at constant currency
Smiths Interconnect: Overview

Financial performance 2010

<p>| | |</p>
<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td>Sales</td>
<td>£340 m</td>
</tr>
<tr>
<td>Trading profit</td>
<td>£62 m</td>
</tr>
<tr>
<td>Margin</td>
<td>18.2%</td>
</tr>
</tbody>
</table>

Sales growth since 2005 (£m)

Total CAGR = 14.5%; Organic CAGR = 10.1%

Profit growth since 2005 (£m)

Total CAGR = 12.8%; Organic CAGR = 8.5%
Built through a successful phased acquisition programme

- **1972** Established Hypertac UK
- **1989** Acquired Times Microwave
- **1995** Acquired Hypertronics (USA), Hypertac GmbH (Germany), Hypertac SpA (Italy), Hypertac SA (France)
- **1997** Acquired PolyPhaser
- **1998** Acquired Transtector Systems
- **1999** Acquired Sabritec
- **2000** Acquired LEA International, EMC Technology, RF Florida Labs, Radio Waves
- **2001** Acquired Summitek Instruments
- **2002** Established Chinese WOFE
- **2004** Acquired TRAK Microwave, TECOM Industries
- **2005** Acquired Lorch Microwave
- **2006** Acquired Farran Technology, Millitech
- **2007** Divestment of Times Microwave
- **2008** Acquired Triasx, Allrizon Communications
- **2009** Acquired Shenzhen Dowin Lightning Technologies, Channel Microwave
- **2010** Acquired Interconnect Devices, Inc.

**Phase 1 – Mil / Aero**
- Connectors & RF Cable

**Phase 2 – Telecoms Protection & Microwave**

**Phase 3 – Mil / Aero Microwave**

**Phase 4 – Globalisation Microwave, Protection & Connectors**

**Phase 5 – Building Scale**
Evolution of Smiths Interconnect

From individual companies to technology focused cohesive business units

Connectors

High reliability interconnect solutions

Microwave Telecoms

Network optimisation products and test solutions

Protection

Innovative power and signal integrity solutions

Microwave Defence

RF and microwave components, sub-systems and antenna solutions

45%

24%

20%

12%
Products and capabilities: Connectors

Supplier of specialist electro-mechanical and optical connector technologies for multiple end market applications requiring high quality, rugged and high reliability solutions

High reliability connectors
- Two piece connectors utilising hyperboloid contact technology
- Broad range of platform products and customer specific solutions
- Excellent performance in harsh environments

Spring probe connectors
- One piece compression connectors
- Highly responsive organisation combined with strong technologists providing quick turn solutions to customer requirements
- Market leading characteristics: size, accuracy and durability

High speed and filter connectors
- Customer specific solutions incorporating filter, high speed, fibre optic and hybrid technology
- Strong customer retention and programme positions
Products and capabilities: Microwave Defence

North American centric supplier of specialist microwave and millimetre wave system, sub-system and component solutions

**Antenna Systems**
- Range of high reliability ground and airborne antenna systems addressing multiple market segments including SATCOM, radar, telemetry, and high bandwidth connectivity
- Market leading technical performance: accuracy, sensitivity and data transmission rates

**Transceivers, Frequency Sources and Timing subsystems**
- Critical subsystems for microwave and millimetre wave applications
- Core technologies at the heart of all microwave systems
- High barriers to entry due to exceptional product performance requirements

**Components**
- Broad range of microwave and millimetre wave components including filters, isolators, circulators, waveguides
- Leveraged to access new opportunities and maximise content
Products and capabilities: Microwave Telecoms

Global provider of specialised system critical products and solutions that enable optimal performance of wireless networks

**Radio link antennas**
- The air interface to allow cell towers to communicate to each other
- Industry best lead-times and technology supporting ultra high capacity networks

**Network test instruments**
- Validating the integrity of the radio frequency path
- Achieves unprecedented improvements in performance of existing networks by assessing and solving interference causing system anomalies

**Filter and signal processing components**
- Products that filter the frequency spectrum – blocking unwanted frequencies and noise – for both base station radio unit and backhaul units
- A range of core components used in microwave electronic systems to translate digital signals to radio frequency signals
Products and capabilities: Protection

Provider of power and RF protection solutions for communications and other critical electronic systems

**Surge protection**
- AC, DC, RF, and data signal and power protection
- Innovative patented technology
- Industry leading engineering expertise
- Regulatory standards (UL, IEC, CE, RoHS, IEEE) are barriers to market

**EMP and EMI protection**
- Electromagnetic pulse power and signal protection
- Combined protection expertise with electromagnetic filtering technology
- Increasing demand for critical and secure facilities and networks

**Power distribution and conditioning**
- Indoor/outdoor wireless communication main power interface
- Integrated power source, surge protection and generator connection
- Regulate stable, reliable power to critical equipment
- Custom designs, market leading responsiveness
Markets: providing specialist electronics products

Electronic Components Market > £100bn

Commodity

Specialist

Defence
Aerospace
Space
Telecom
Medical
Mass Transit
Semiconductor
Test & Measurement
Industrial
IT / Computer
Automotive
Consumer

Serviced Addressable Market ~ £8 bn

Specialist Market Characteristics

- Engineered solutions
- Technical differentiation
- Highly regulated
- High barriers to entry
- High switching costs
- Less capital intensive
- Value offering
- Long term programmes

Multiple / Diverse End Markets varying degrees of “commoditisation”

Strong margins and ROIC
Sales by market and geography

- Well balanced presence in multiple and diverse end markets
- Defence is approximately 1/3rd of total and remains largest individual market
- Semiconductor test and Medical are largest sectors within third category

- North America is largest geographic market reflecting physical location of business units and US proportion of global defence spending
- Emerging Markets includes China, India, Middle East, South America and Asia-Pac (excluding Japan and Korea)
- Australia accounts for most of RoW sales
Competitive landscape

Operating in specialist sectors within generally fragmented markets

<table>
<thead>
<tr>
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<tbody>
<tr>
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<td>High reliability</td>
<td>Spring probes</td>
<td>High speed and filtered</td>
</tr>
<tr>
<td>Competitor examples</td>
<td>Amphenol</td>
<td>ECI</td>
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<td></td>
<td>Deutsch</td>
<td>Yokowo</td>
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<td>Glenair</td>
<td>Preci-dip</td>
<td>Glenair</td>
<td>Crestline</td>
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<tr>
<td>HARTING</td>
<td>MILL MAX</td>
<td>Cooper</td>
<td>Wireless Telecom Group</td>
</tr>
<tr>
<td>ODU</td>
<td>CINCH</td>
<td>Powerwave</td>
<td>Crane Aerospace &amp; Electronics</td>
</tr>
</tbody>
</table>

High quality business choosing where to play in consolidation activities
Strategy for value creation

**Investing for growth**
- Focusing on higher growth sectors
- New product development and innovation
- Leveraging sales resources
- Geographic expansion
- M&A

**Driving efficiencies**
- Organisational development
- Increasing low cost manufacturing capacity
- Leveraging sourcing opportunities
- Sharing best practices

**Improving returns**
- Top line growth & margin accretion
- Low capital intensity
- Excellent working capital management
- Strong stable cash flow
  - cash conversion consistently > 90% of profits

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Smiths Interconnect
Shaun Caraccio
Vice President, Business Development & Strategy
Investing for growth
Market growth drivers

**Mil/Aero market**
- Situational awareness
- Smart weapons
- Connectivity and mobility
- Force protection

"information is power"

**Telecoms market**
- High data rate applications
- Technology refresh rates
- Connectivity and mobility
- Globalisation

"everything, everywhere, anytime"

**Other markets**
- Electronics proliferation
- Leveraging technology
- Connectivity and mobility
- Globalisation

"smart systems"

**Total market CAGR c. 3-5%**

Core markets 2011
~ £8bn

Core markets 2014
~ £9bn
Focusing on higher growth sectors: Military

Despite macro level pressures, defence budget priorities remain aligned with Interconnect capabilities

Western defence budgets under pressure

Projected increases in international defence spending (eg India, Turkey) and US Foreign Military Sales

Certain sectors will expand through 2016 - helicopters, UAVs, missile defence & C4ISR

Source: Wolfram 2011
Focusing on higher growth sectors: Wireless Telecoms

Wireless sector entering next growth phase

- New, faster networks needed to support mobile broadband applications
- Network optimisation and microwave radio links for backhaul increasingly critical
- Developing geographies adopting mobile telecommunications

Global Capital Expenditure by Wireless Carriers for Infrastructure Equipment

Mobile Data Traffic Consumption

(Source: ABI Research)
Focusing on higher growth sectors: Aerospace / Semiconductor Test

**Aerospace**
- Strong backlogs driving planned production rate increases in 2011 and 2012 at both Boeing and Airbus
- In-flight connectivity gaining momentum and demanding higher bandwidth

**Semiconductor Test**
- Over 50% of semiconductor consumption is driven by consumer products
  - very strong tablet and smartphone demand partially offset by lower PC demand
  - continued proliferation of intelligence and wireless connectivity in electronic devices
Investment in new product development

Technology and innovation is a fundamental pillar of the Interconnect business model

• Focused on:
  - Maintaining culture of innovation & customer intimacy
  - Value Optimisation or “doing the right projects”
    • process to direct investment to projects generating the highest risk adjusted long term economic value
    • feeding winners & killing losers
  - Resource Optimisation or “doing the projects right”
    • identifying & proactively managing risk, meeting goals
• R&D is consistently higher than the industry average
  - Targeted investments in growth sectors
    • new programmes and products
    • market expansion
• More than a third of revenue is derived from products developed in last three years
Examples of innovative products

**Ku Stream Broadband Antenna System**
- Connectivity on-the-move for high data rate applications
  - live TV, internet, videoconferencing, sensor data
- Multiple markets: commercial and military
- Performance requirement (speed): just like at office or home
- First to market with high volume commercial airborne product
- Partnered with Row44 system supplier
  - selected by Southwest Airlines & two other airlines

**PoP: Package-on-Package Test Socket**
- PoP integrates logic and memory semiconductor devices
  - a high growth sector driven by demand for tablets and smartphones
- Simple, reliable and repeatable testing of the semiconductor device
- High reliability solution that compensates for the tolerances in the devices and test mechanism
- Opportunity to access a multi million pound market that was previously unaddressed
Leveraging sales resources

Opportunity to leverage technology and resources across multiple markets

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<td>Other</td>
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<td></td>
<td>Semiconductor</td>
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<td>Test &amp; Measurement</td>
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<td></td>
<td>Industrial</td>
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Existing presence

Opportunity
Sales and marketing effectiveness

Investing to build effective global sales channels

• Focused on:
  - Leveraging routes to market, customer relationships and program positions
    • sales channel optimizations (direct, distributors and 3rd party representatives)
    • utilising common CRM (customer relationship management) tool
    • maximising Interconnect content per opportunity
  - Driving customer service excellence culture
  - Pursuing strategic opportunities as Smiths Interconnect to leverage overall scale and capabilities
• Increasing sales per employee
  * dips in FY08 and FY10 due to acquisitions with lower ratios
Examples of leveraging sales resources

**Globalising Portable PIM Solutions**
- Wireless telecom networks are sensitive to interference caused by anomalies in the physical structure
- Acquired a pioneering Australian company with first-to-market technology, but limited market access
- Leveraged existing global resources to fast track industry adoption and access USA and European markets
- Over £30m of revenue achieved in three years

**Future Soldier Connectivity**
- Battlespace awareness and connectivity now required at soldier level
- Demanding environment: size, weight, robustness
- Global market but highly fragmented - 29 projects in 11 countries
- Leveraged global S&M resources and customer relationships
- Already selected for projects in USA, UK, France, Italy and India
- Multi million pound opportunity over next 5 years
Geographic expansion

Interconnect addresses a mixture of global and local markets requiring a worldwide presence but often with locally specific solutions

- We are focused on:
  - Developing global presence
    - 25% of manufacturing capacity and over 35% employees in emerging economies
    - Over 30% of engineers & scientists outside USA
  - Accessing higher growth emerging economies
    - Sales to Emerging Markets increased by over 50% in last two years
    - Significant further opportunities, particularly India & China but need to remain cognisant of significant pricing and margin pressures

Developing from US/Europe centric to truly global business
M&A track record and opportunities

Track record: creating value
- Excellent record of selecting targets, acquiring, integrating and creating value
- Significantly exceeding expectations and return on investment criteria

IDI
- Large acquisition of complementary technologies and manufacturing operations
- Integration completed smoothly and to plan
- Performing ahead of expectations
- Immediately EPS accretive

Opportunity: target rich environment
- Market remains fragmented; some consolidation to date
- Adjacency opportunities for all technology segments
- Seeking to:
  - add complementary products and technologies
  - access new markets, programmes and customers
  - extend geographical presence and exposure to fast growing markets
  - leverage existing scale

Expanding Addressable Market
- £8bn
- £14bn
- Protection
- Connectors
- Microwave
- Current Core
- Expanded Core
Driving efficiencies
Organizational development

**Ongoing process to rationalise business units based on commonalities in technologies, markets, sales channels and customers**
- streamlining management and back office infrastructure
- enabling more flexibility and effective use of global sales and engineering resources
- consolidating volume manufacturing while maintaining local agility
- creating platforms for growth

**Connectors**
- Europe – in process

**Microwave Telecoms**
- Consolidation of four businesses into one
  - Launch of new brand

**Protection**
- Consolidation of two US businesses
  - Delivering expected savings

**Microwave Defence**
- Future opportunity

From individual companies to technology focused cohesive business units
Increasing low cost manufacturing capacity

Globally competitive manufacturing centers regionally located

- Interconnect has invested in developing multiple low cost manufacturing sites serving both regional and global markets
  - Mexico: mainly for Americas markets
  - Tunisia: mainly for European markets
  - China: for indigenous, Asian and global markets
  - India: for indigenous and Asian markets
  - Costa Rica: for global markets

- Approximately 25% of Interconnects’ 105,000 sq. meters of facility space and 35% of our employee base is in low cost regions / emerging economies

- Opportunities to further develop presence in India and develop plan to transition to the next low cost region

Approximately one third of all sales are produced in low cost facilities
Operational performance

Driving margin by leveraging sourcing opportunities

Leveraging scale
- Combining purchasing agreements
- Utilizing Smiths scale when appropriate
- Reducing logistics costs and facility management fees

Maximizing internal content
- Utilizing Interconnect companies for component and subsystems supply for major projects

Sharing best practices

Lean manufacturing
- Driving lean principles and culture across businesses
- Partnering with third party experts

Quality initiatives
- Focus on best practice
- Global consistency
- Flexible systems aligned to market needs
Conclusion
Value creation opportunities

Organic growth
- New programmes and products
- Strong R&D; targeting growth sectors
- Market and geographic expansion opportunities
- Margin improvement initiatives

Acquisitive opportunities
- Excellent track record
- Sizeable and growing specialist market
- Target rich environment
- Opportunities to expand into adjacencies

Smiths Interconnect: the leading provider of specialist electronic products

Creating shareholder value
## Smiths Interconnect: an attractive investment case

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- Sales growth: 6-10%  
- Margins: 21-23%

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*Average annual organic growth over the medium term at constant currency
Questions and answers