

Annual General Meeting

20 November 2012

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Introduction



Philip Bowman
Chief Executive

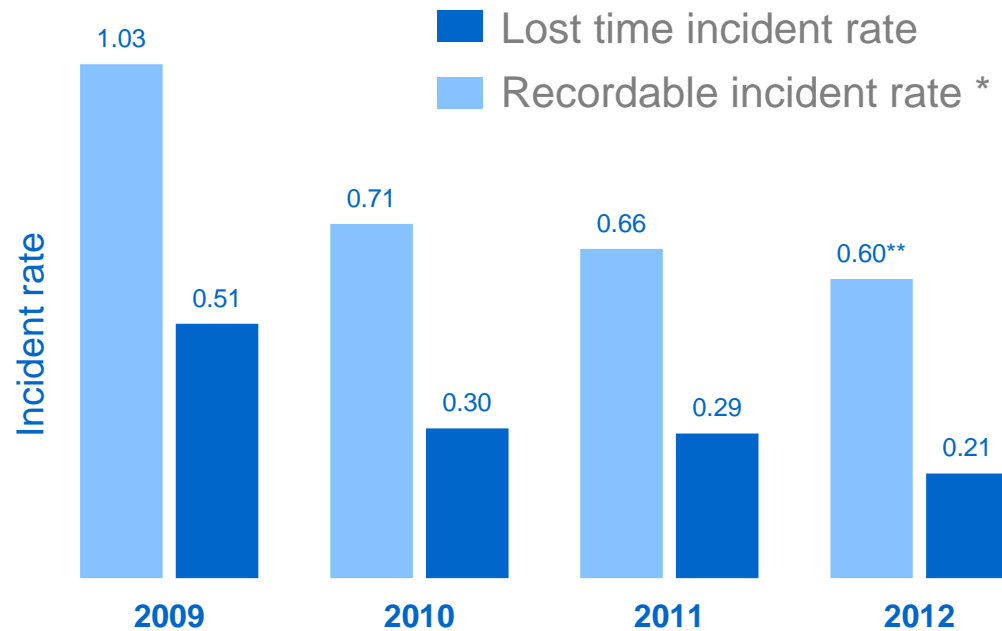


Results highlights

- > Reported headline revenue up 7%; underlying up 5%
- > Headline operating profit up 7%, underlying up 7%
- > Headline EPS up 7% to 92.6p
- > Cash conversion strong at 99% - free cash flow of £217m
- > Return on capital employed up 10 basis points to 16.5%
- > Dividend up 5% to 38.0 pence

Promoting responsibility: An increased focus is delivering improvements

Recordable & lost time incident rates continue to improve



* Measured per 100 employees per year using US OSHA definition

** 0.58 excluding recently acquired businesses

Solid progress on environmental targets***

- Energy: 16% reduction
- Greenhouse gases: 19% reduction
- Water: 19% reduction
- Non-recycled waste: 18% reduction

*** Calculated over rolling 12-month period to Jul 2012 compared to current goal baseline of FY2010. Normalised to revenue at FY2012 exchange rates.

Consistent progress on our financial metrics despite tough trading conditions

Performance 2009-2012

Headline revenue growth	CAGR +4.5%	
Headline operating margin	+250 bps	18.2%
Operating cash conversion	Average 103%	
Return on capital	+250 bps	16.5%

John Crane: Delivering sales growth, improving margins and returns

Underlying revenue	Underlying headline profit	Headline operating margin
+9%	+11%	+50 bps 21.6%

- Strong sales growth across all sectors, particularly oil and gas
- Aftermarket sales grew 9%
- First-fit OEM sales up 9% reflecting investment in capital projects
- Investing in new products and expanding the service centres in emerging markets
- Product diversification strategy delivering growth



Smiths Medical: Delivering sales growth from new products and markets

Underlying revenue	Underlying headline profit	Headline operating margin
+2%	+2%	+10 bps 23.5%

- Sales growth despite tough operating environment
- Margin growth is after significant increased investment in growth drivers
- Infusion pumps boosted by new product launches
- Investment in new products up 9%
- Recruited 250 new sales people in emerging markets



Smiths Detection: Improving sales trend; margins benefit from restructuring

Underlying revenue	Underlying headline profit	Headline operating margin
+3%	+13%	+50 bps 13.3%

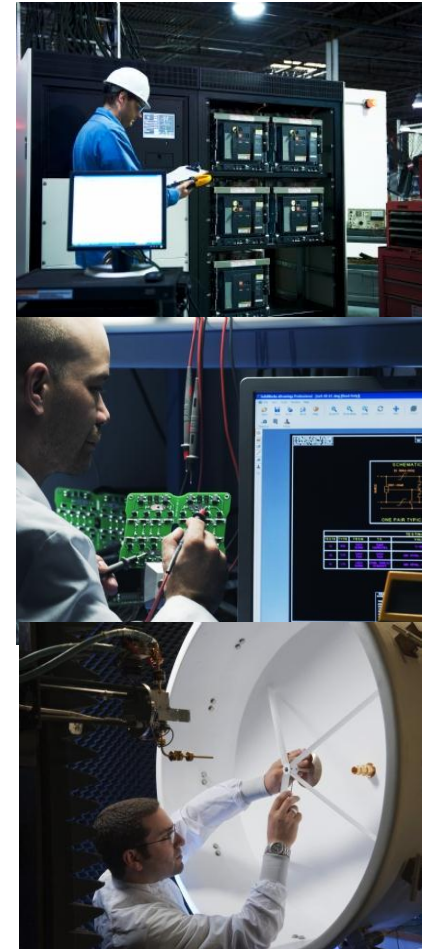
- Revenue growth driven by transportation, critical infrastructure and ports and borders
- Margins benefit from restructuring savings of £15m
- Record level of new products from increased investment
- Opened new manufacturing centre in Asia
- Order book is significantly strengthened



Smiths Interconnect: Challenging trading environment affected margins

Underlying revenue	Underlying headline profit	Headline operating margin
+3%	-9%	-310 bps 14.7%

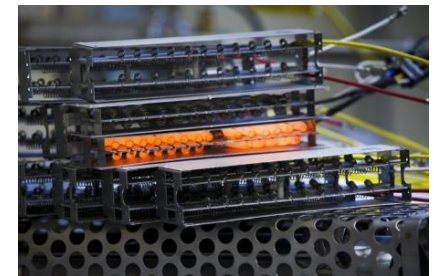
- Underlying sales helped by strong second half for Microwave
- Tough trading conditions in Connectors and Power
- Margins affected by adverse price/mix and operational gearing
- Continued investment delivering - a third of sales from products launched in last three years
- Expansion in emerging markets – now 16% of sales



Flex-Tek: Margins benefit from operational leverage

Underlying revenue	Underlying headline profit	Headline operating margin
+5%	+36%	+380 bps 16.3%

- Margins up 380 bps from higher volumes and price/mix
- Like-for-like profit rose 18%
- Strong growth to aerospace customers
- Sales to US residential construction beginning to improve
- Margins are strongly geared to volume improvements



Operational priorities for 2013

- > Deliver new product launches to accelerate sales growth
- > Invest in sales and marketing capabilities in high growth markets
- > Drive operational efficiencies to improve margins and support investment
- > Sustain strong cash conversion to fund growth initiatives and enhance value
- > Effective capital allocation to drive improved returns and value for shareholders

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