

Preliminary Results Announcement

10 June 2014



The Business of Science®



Jonathan Flint – Chief Executive
Kevin Boyd – Group Finance Director

- Overview
- Financial Review
- Operational Review
- Strategy and Business Model
- Summary and Outlook

- Sustained recovery after a slow start
- Andor acquisition/integration
- 14 *Cubed*
- Strategy going forward

Financial Review

Kevin Boyd

Financial Highlights

	2013/14	2012/13	Change
Orders (£m)	342.2	334.0	2.5%
Revenues (£m)	360.1	350.8	2.7%
Adjusted operating profit (£m)*	50.3	49.3	2.0%
Return On Sales (%)	14.0%	14.1%	-0.1pp
Adjusted profit before tax (£m)*	47.1	47.0	0.2%
Adjusted EPS (pence)*	67.7	66.5	1.8%
Dividend (pence)	12.4	11.2	10.7%
Net (Debt)/Cash (£m)	(124.3)	39.2	(163.5)

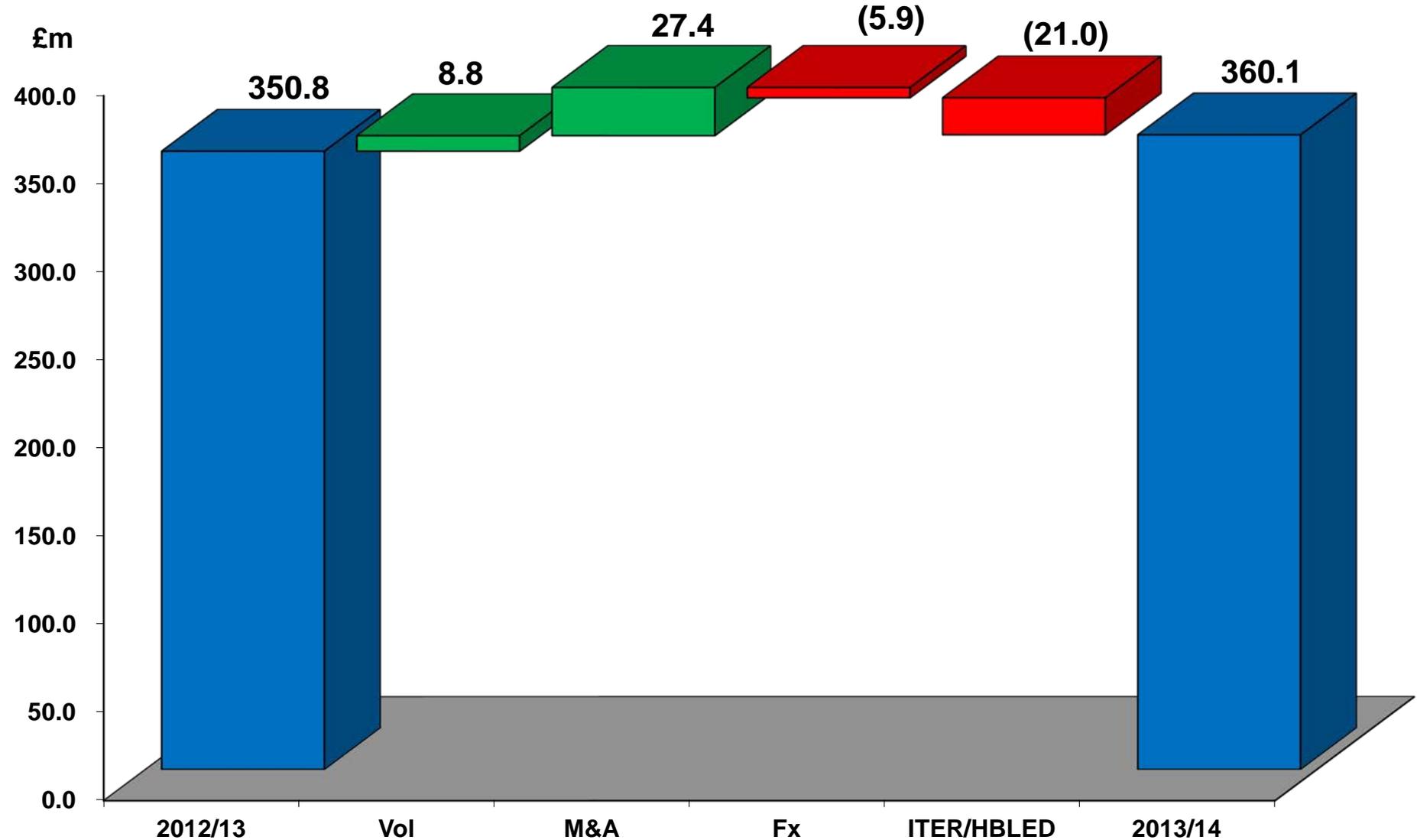
*Adjusted numbers are stated to give a better understanding of the underlying business. Details of adjusting items can be found in Note 1 of the Financial Statements

Segmental Split

	Nanotechnology Tools		Industrial Products		Service		Total*	
	2013/14 £m	2012/13 £m	2013/14 £m	2012/13 £m	2013/14 £m	2012/13 £m	2013/14 £m	2012/13 £m
Segment Orders	166.3	166.6	110.0	102.2	67.5	66.9	342.2	334.0
Segment revenue	180.6	166.1	114.7	125.1	66.4	60.6	360.1	350.8
Operating profit	21.2	20.6	15.6	17.3	13.5	11.4	50.3	49.3
Return on sales	11.7%	12.4%	13.6%	13.8%	20.3%	18.8%	14.0%	14.1%

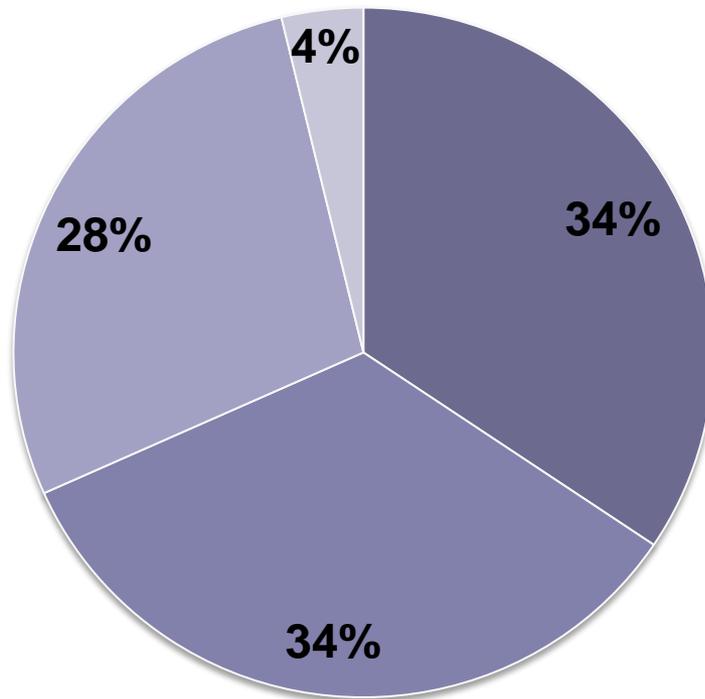
*excluding inter-segmental orders and revenues

Sales Bridge

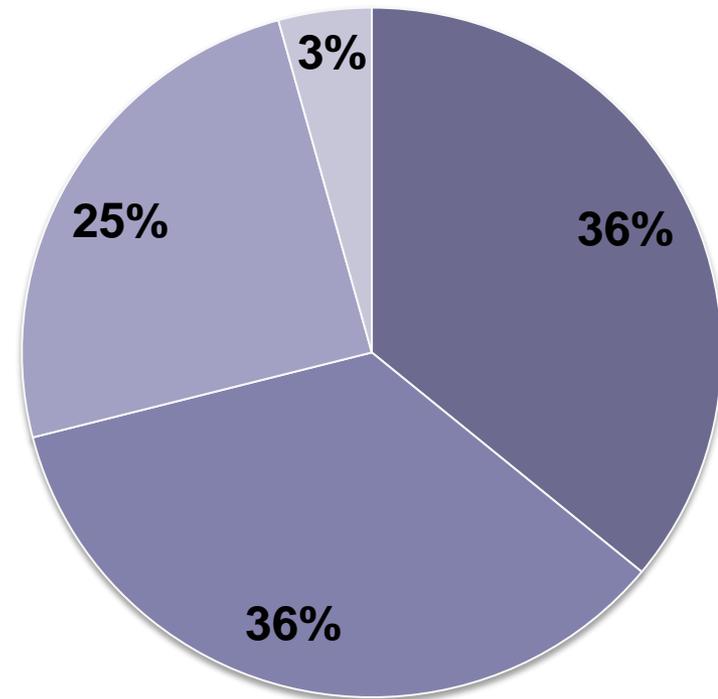


Sales by Geography

2013/14



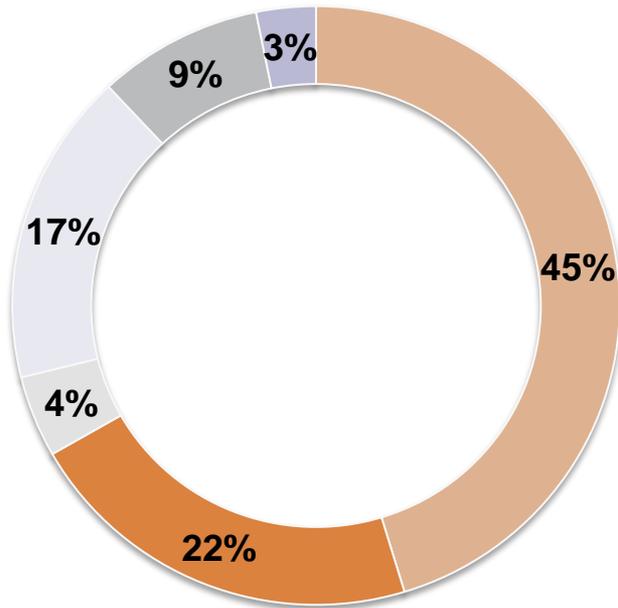
2012/13



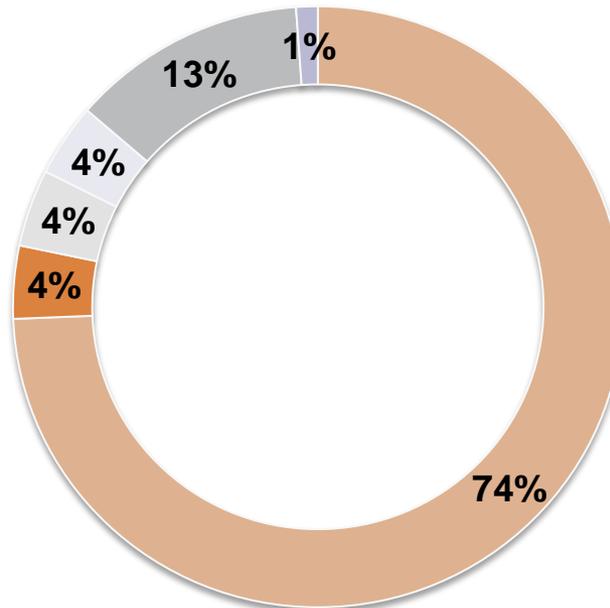
■ Europe ■ Asia
■ North America ■ RoW

Market Segments

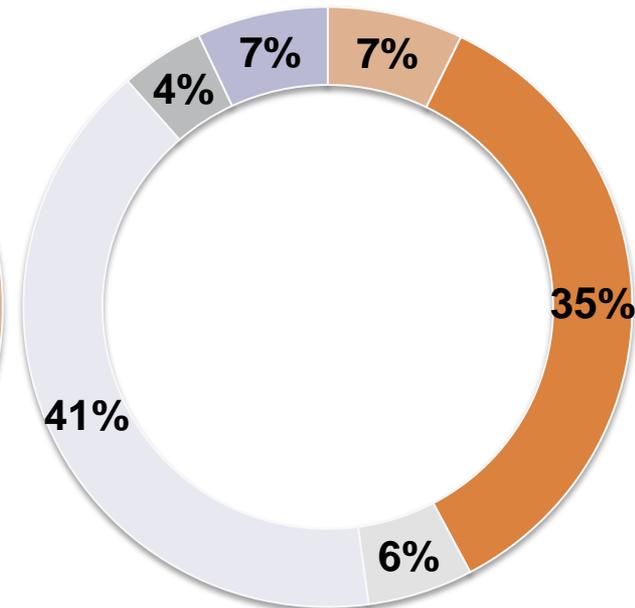
Group



Nanotechnology Tools

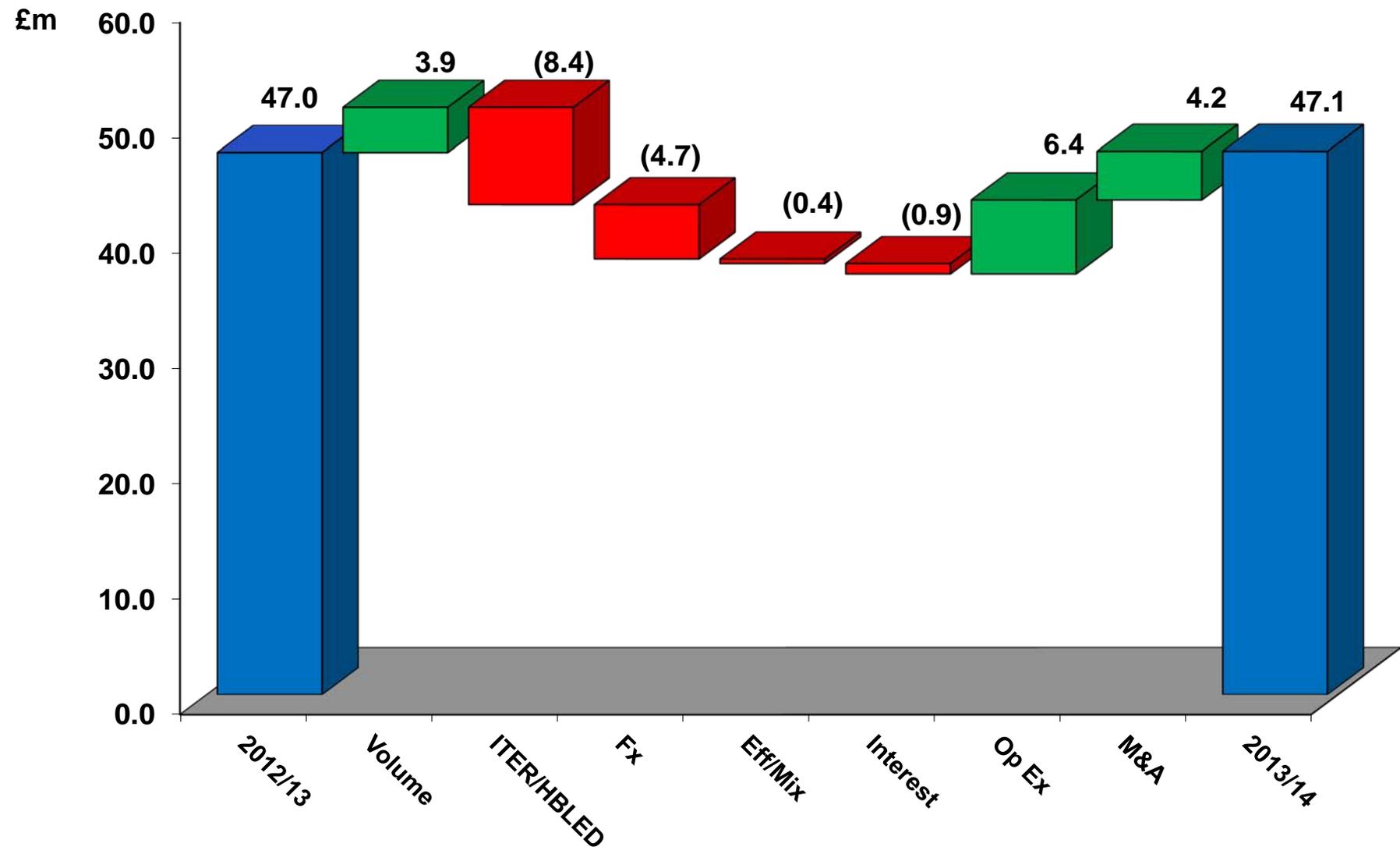


Industrial Products



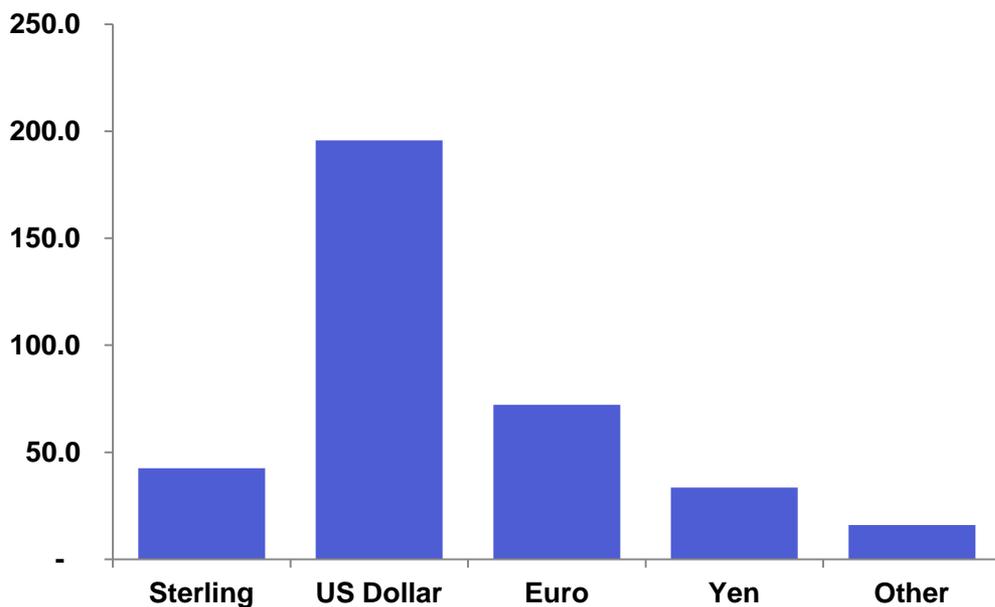
- Research and Academia
- Life Sciences
- Environment
- Metals & Construction
- Semicon/IT
- Energy

Profit Bridge

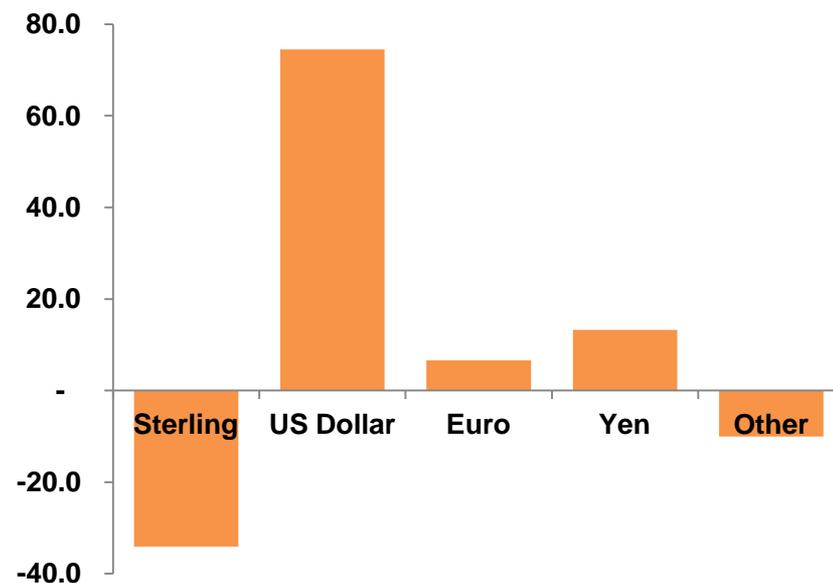


Currency Exposure

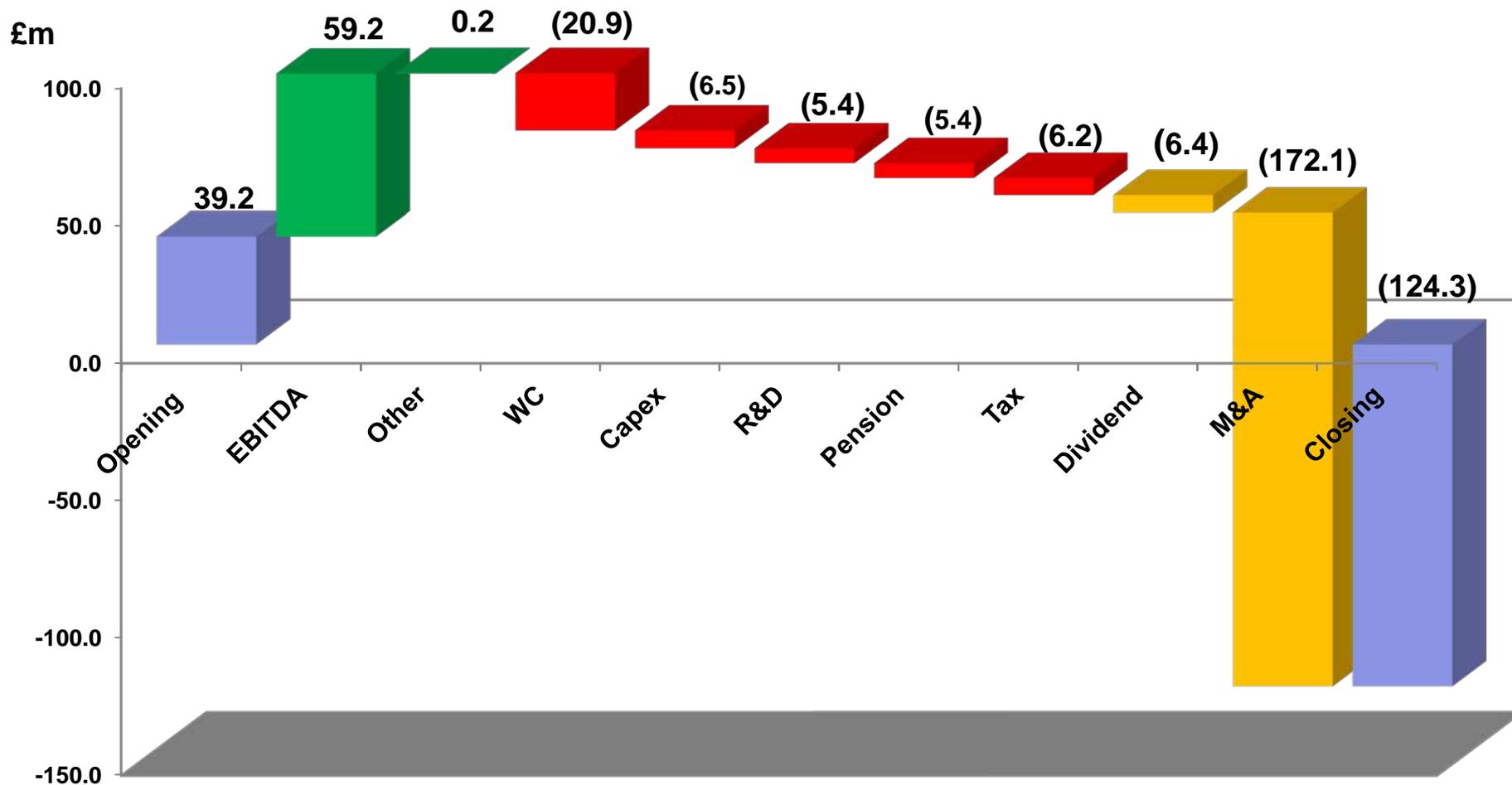
Revenue Exposure £m



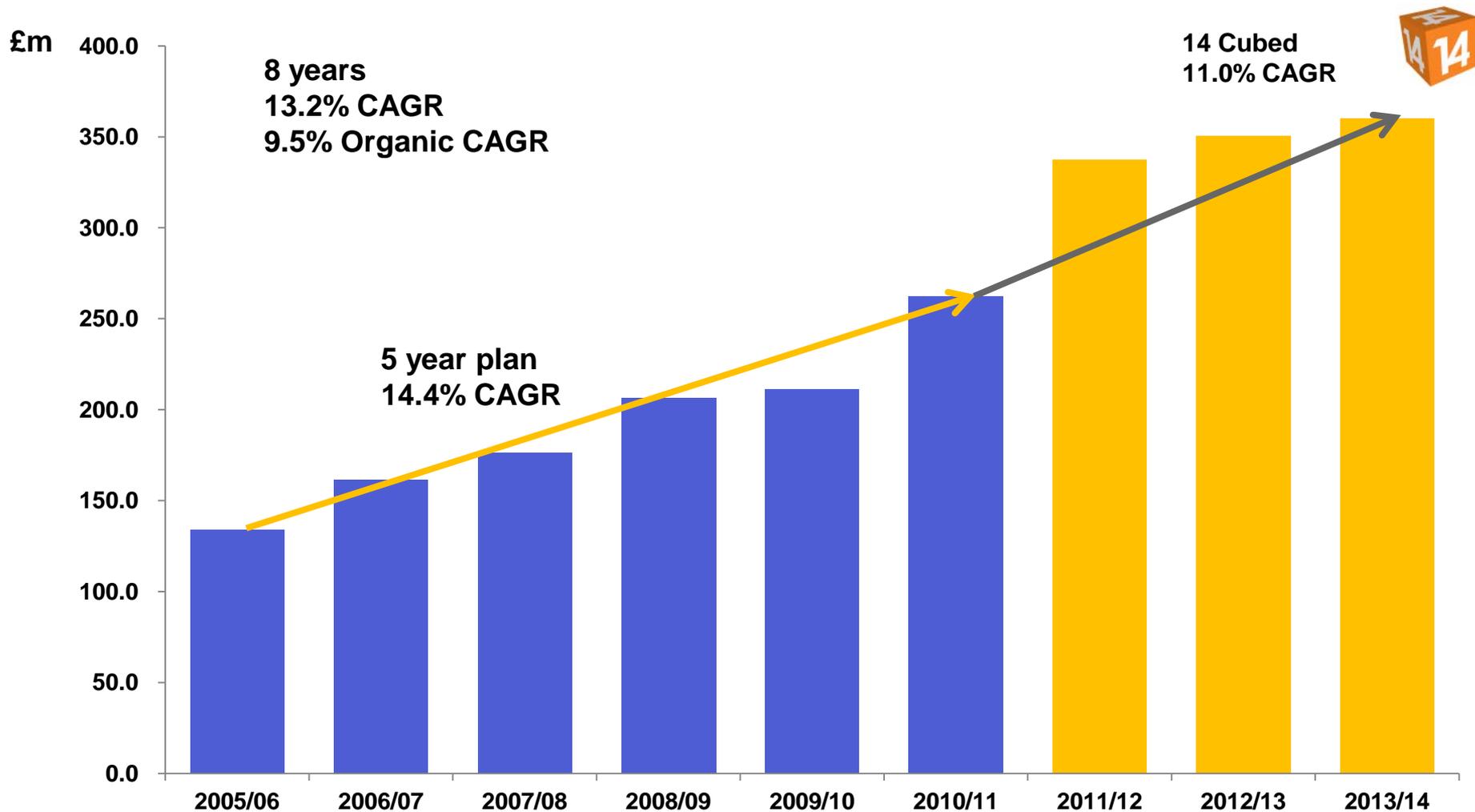
Net Exposure £m



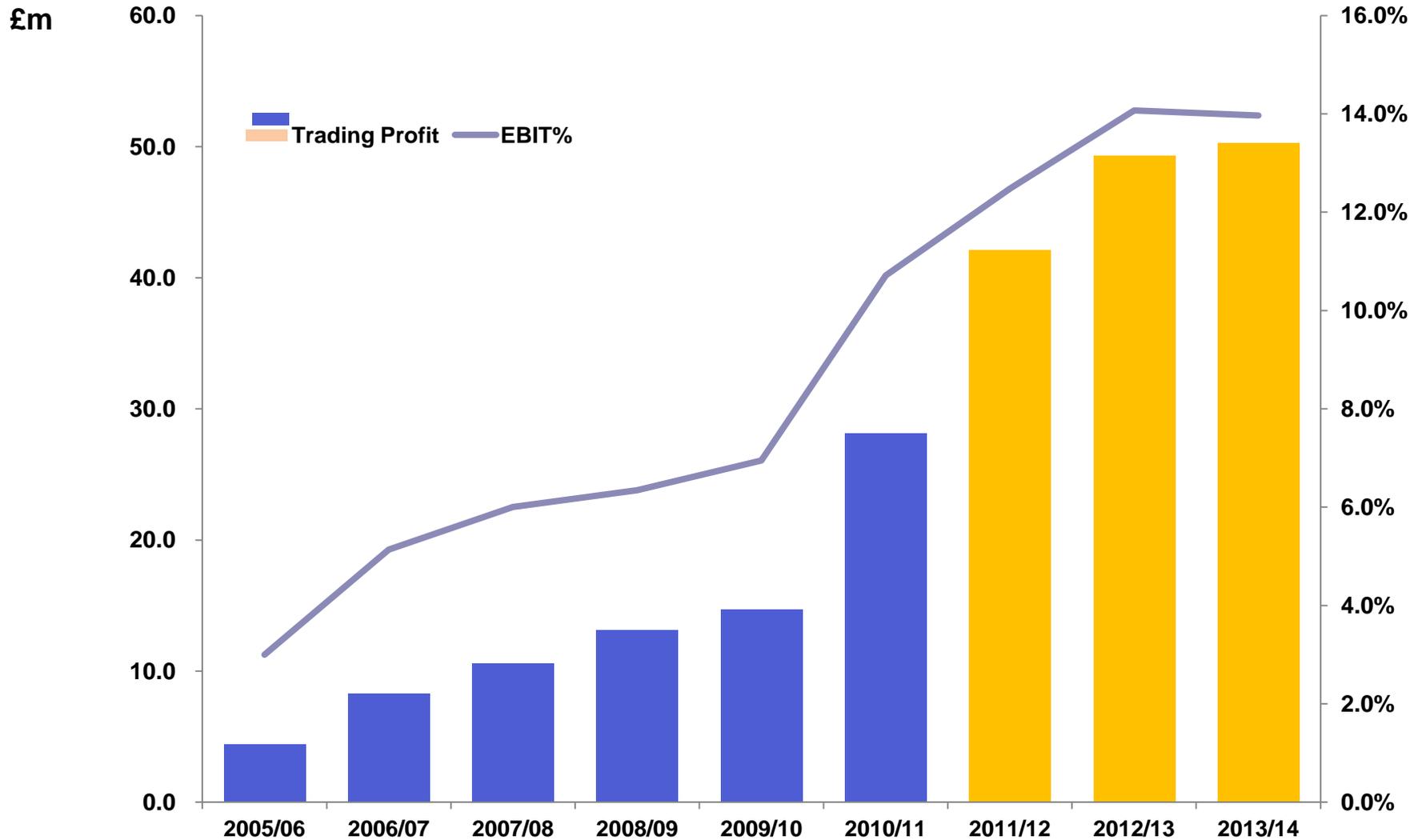
Cash



Sales Progress



Profit & Margin Progress



Operational Review

Jonathan Flint

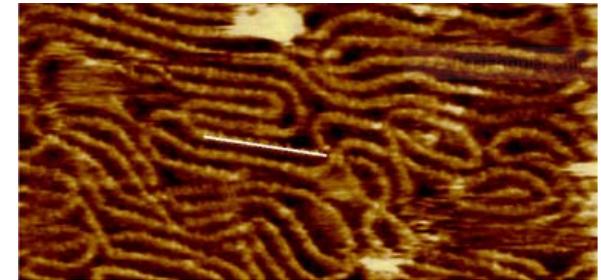
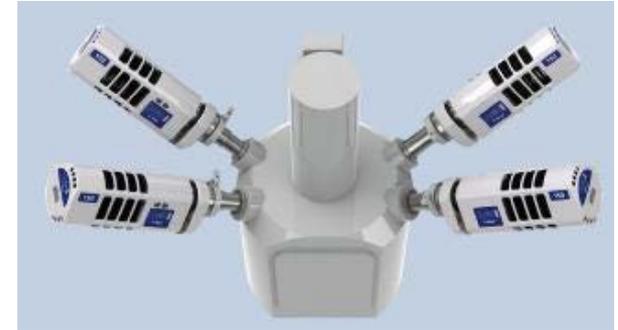
Nanotechnology Tools

highest technology products serving research and industrial customers in the public and private sectors



The Business of Science®

- Increased revenues and profits
- Range of successful new products
 - **Layerprobe**: a unique tool to measure the thickness and composition of nano films
 - **X-Max**: dual detector capability allowing up to four detectors on the microscope
 - **CypherES**: atomic force microscope for novel sample environments
 - **Astrea**: New batch tool for HBLED etching



DNA DOUBLE HELIX captured by CypherES



Acquisitions: Andor Technology

part of Nanotechnology Tools



The Business of Science®

- Market leading supplier of high performance optical cameras, microscope systems and software
- Integration into Oxford Instruments progressing well
- Andor acquisitions, Apogee and Spectral, on target
- New Managing Director appointed May 2014
- Products include the ultra-sensitive Zyla 4.2 sCMOS camera and the latest Bitplane Imaris software



Industrial Products

analytical systems for quality control, environmental and compliance testing, and components for industry and research

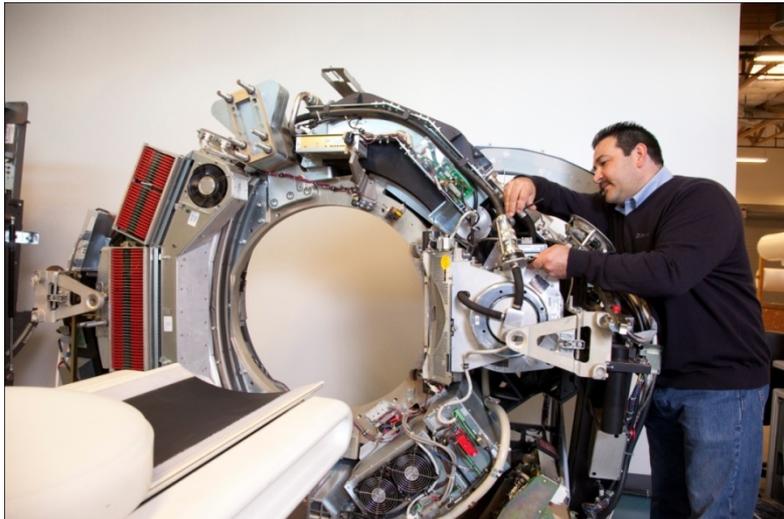
- Growth, excluding ITER
- New product introductions
 - **PMI-Master Smart:** revolutionary miniaturisation of OES instrumentation for metals industry
 - **Pulsar:** benchtop magnetic resonance
 - **Shasta:** optimised x-ray tube power supply



- RMG
 - **mPulse** hand-held metals analyser using Laser Induced Breakdown Spectroscopy
 - Strong demand from scrap sector
- Roentgenanalytik
 - X-ray Fluorescence (XRF) coating thickness measurement tools
 - Centre of excellence for benchtop XRF
 - New product introduction: Maxxi 6

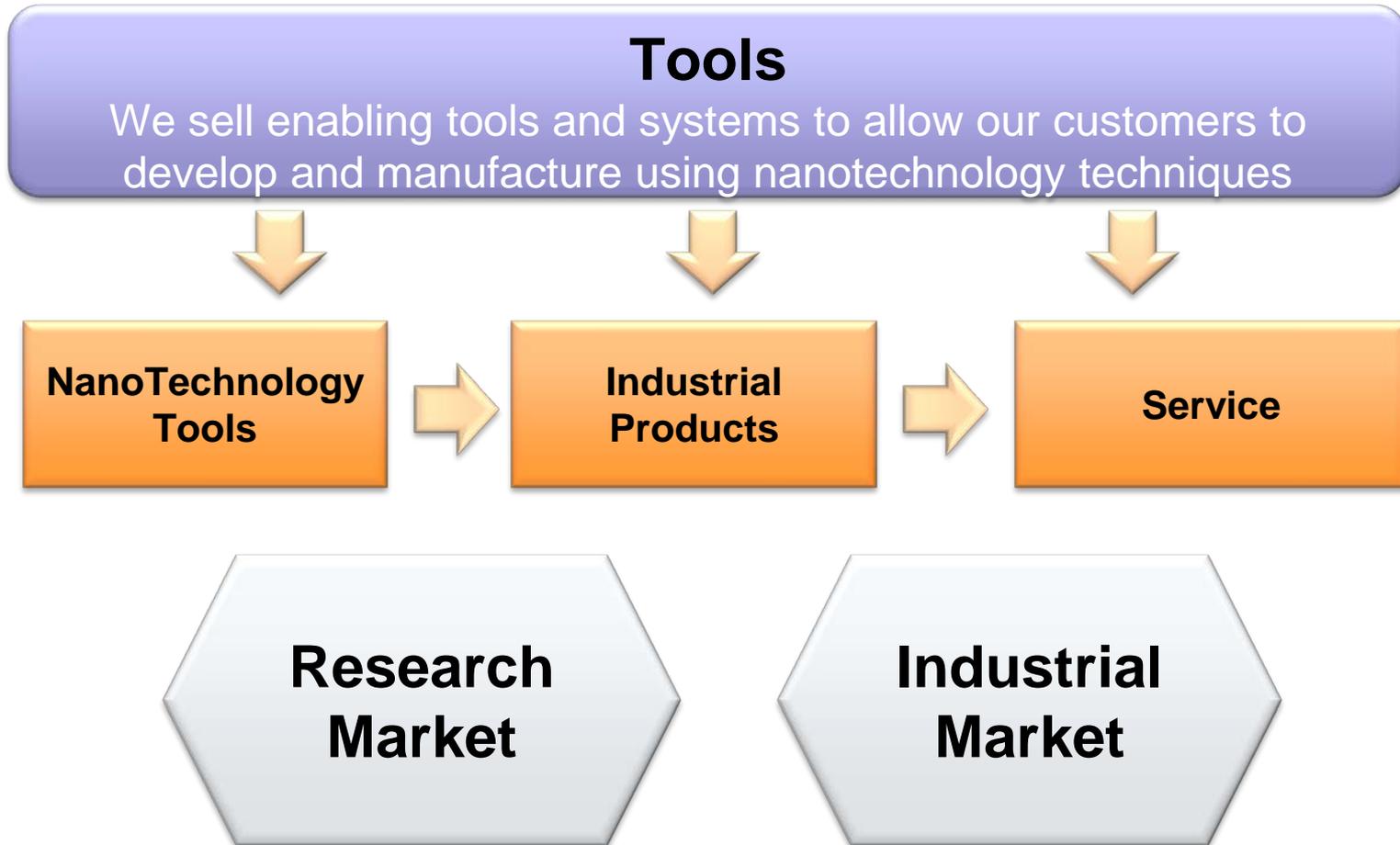


- Good performance in all territories
- Growth in service for third party MRI and CT machines
- Multi-year contracts
- Launch of OI Training Academy

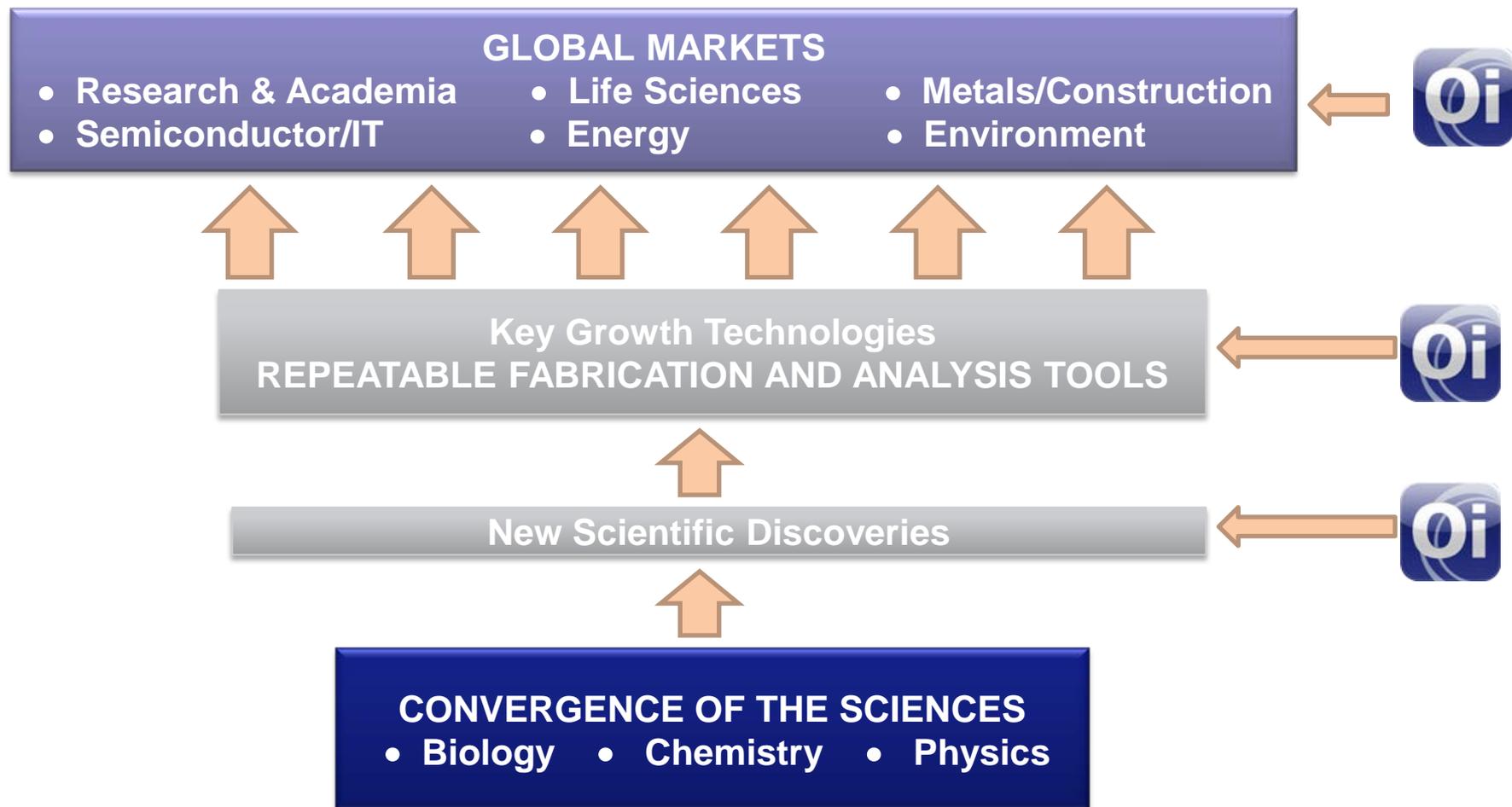


Strategy and Business Model

Jonathan Flint



The Tools Model



Delivering Customer Value

People

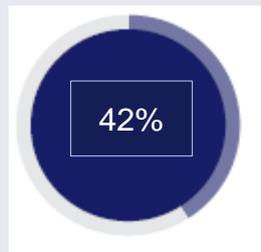
- Adaptability
- Engagement
- Calibre
- Skill



Staff Engagement

Products

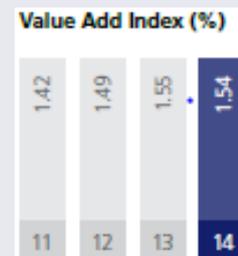
- Strategic and market driven
- Aligned with a long term vision
- Delivery enabled environment
- Market leading high margin products



Vitality Index

Processes

- Getting the basics right
- A culture of continuous improvement
- A vision of Business Excellence



Value Add

Markets

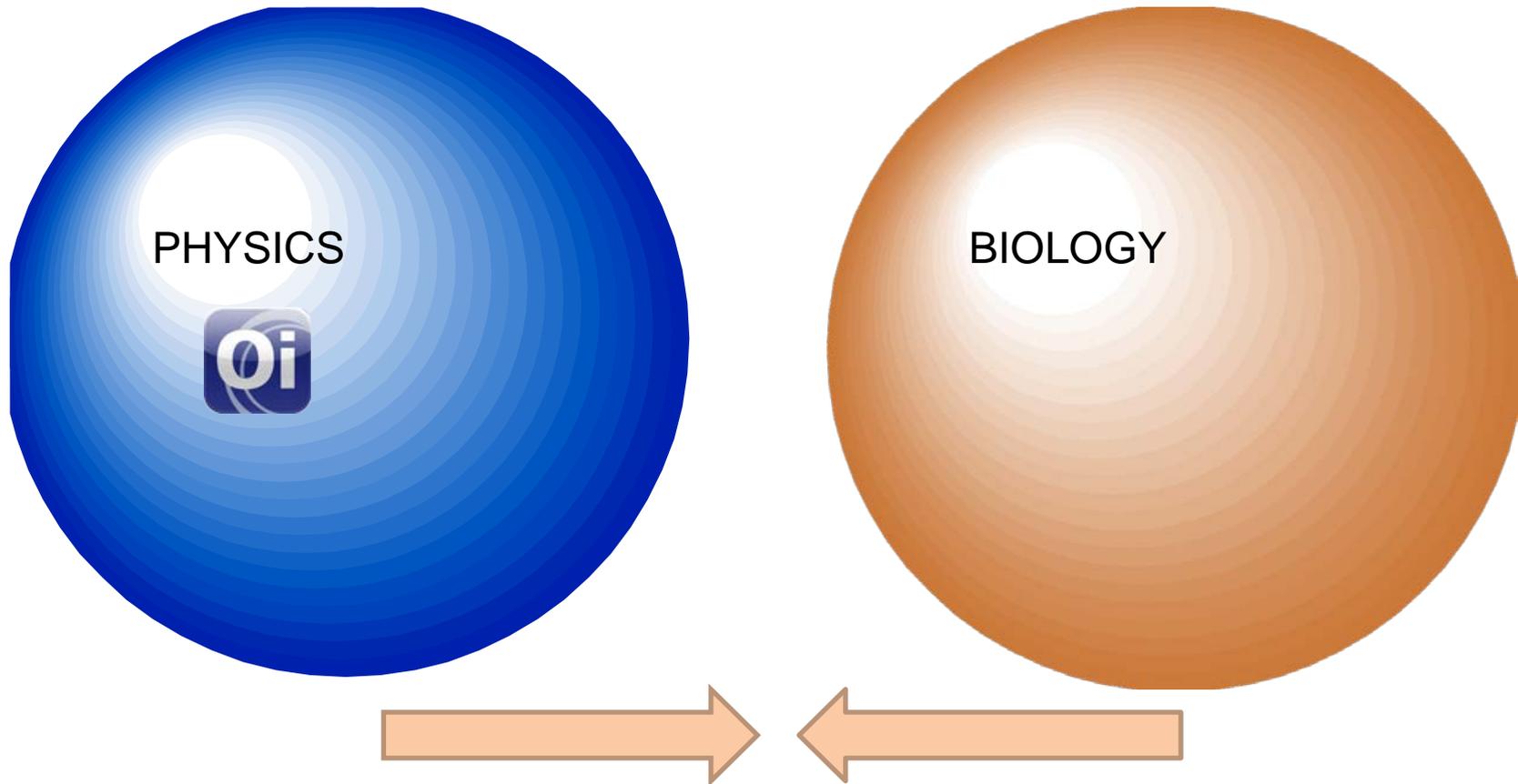
- Target fast growing markets
- Expand our portfolio of techniques
- High potential acquisitions
- Move into attractive adjacent markets



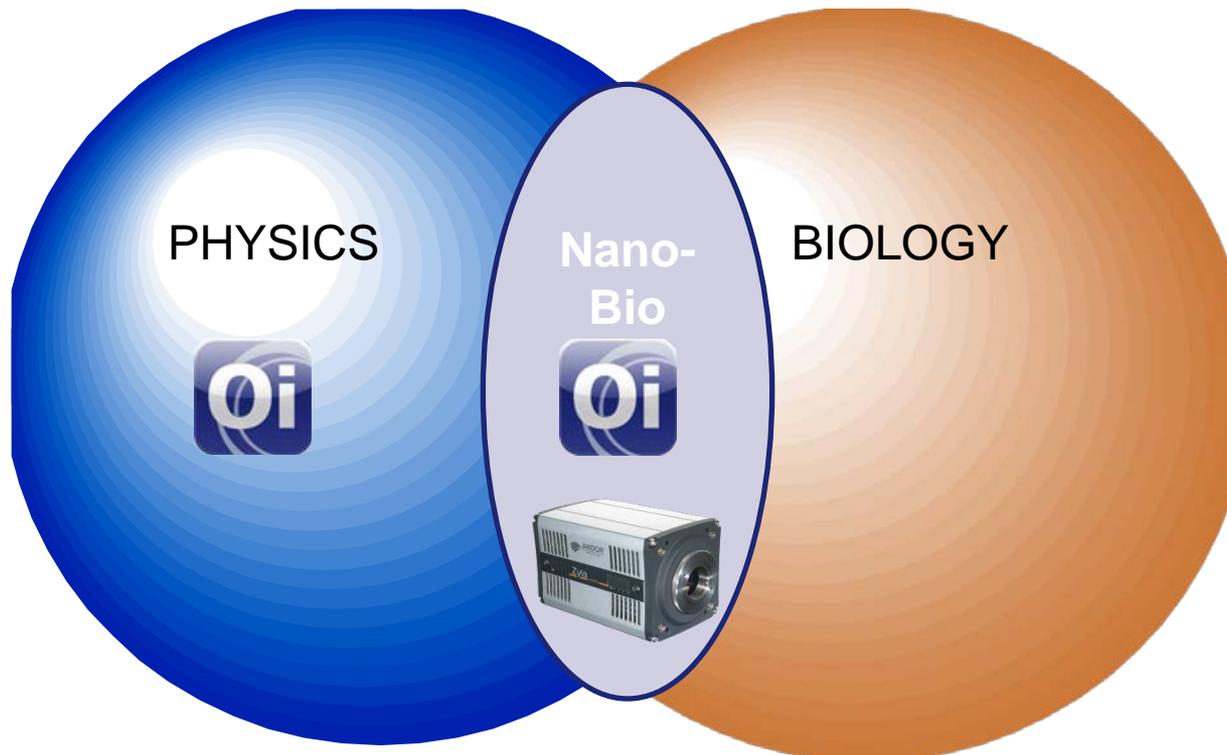
Addressable Market

Maximising Shareholder Value

Scientific Convergence



Scientific Convergence



- Tools and expertise now cross the boundaries of physics and biology
 - New customers working at the nano-scale
 - Application of physical science techniques
 - Opportunities for innovation
 - New addressable markets
- Potential applications
 - Advances in medicine
 - Energy production
 - Agriculture
 - Aerospace
 - Manufacturing



Characterisation	Experimental Equipment	Imaging	Nano-structures	Nano-mechanics	Nano-particles	Components
EBS	Cryogenics	SPM-UHV	CVD	Nano manipulators	Particle analysis	Supercon Wire
WDS	ULT Systems	AFM - ambient	PECVD	Nano Indentation	Cytometry	X-Ray Tubes
EDS	MPMS/PMPS	Fluorescence Mic	PVD	Technique NM3	Technique NP2	Component 1
OES	Magnet Inst.	Confocal Micr.	ALD	Technique NM4	Technique NP3	Component 2
XRF	UHV	Technique Im5	RIE	Technique NM5	Technique NP4	Component 3
HHXRF	Technique EE2	Technique Im6	MBE	Technique NM6		Component 4
NMR	Technique EE3	Technique Im7	Technique NS2	Technique NM7		Component 5
XPS		Technique Im8	Technique NS3	Technique NM8		Component 6
Auger		Technique Im9	Technique NS4			
LIBS			Technique NS5			
Raman			Technique NS6			
Photon Imaging			Technique NS7			
Technique C6			Technique NS8			
Technique C7			Technique NS9			

Key::

OI 2011	Omicron	Omniprobe	Asylum
	RMG	Roentgenanalytik	Andor

- Skilled and talented staff
- Focus on Operational Excellence
- Continued focus on core capabilities in physical science
- Strategy for next phase of growth for Oxford Instruments
- Extended reach into life science markets

- Orders ahead of previous year
- Nanotechnology continues to offer long-term growth prospects
- Convergence will drive increased demand for nanotechnology tools

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