
News Release

Monday 9th November 2009
INTERIM MANAGEMENT STATEMENT

Spirax-Sarco Engineering plc, the world leader in the control and efficient use of steam and in peristaltic pumping, issues the following Interim Management Statement based on the period since 1st July 2009.

Trading

Since the half year, the pace of decline in our sales has stabilised. Sales for the year to date through October were down 9% in constant currency against strong results last year. Exchange rates have continued to be favourable and have added 10% to Group revenues in 2009 compared with average exchange rates in calendar year 2008.

Trading margin this year has benefited from exchange rates and, since the end of the half year, has benefited from lower materials costs and reduced operating costs. We have completed the announced headcount reductions which, together with further attrition, means our headcount is now 7% lower than the start of the year. The reductions are largely in manufacturing and administrative support, with cost benefits in the second half year and continuing to be delivered in 2010.

Financial position

We continue to operate with a strong balance sheet. The Group had a net cash balance at 31st October 2009 of £1m despite funding the acquisition of MasoSine in August for £22m and Intervalf in October for £3m. There has been no material change in the financial position of the Group during the period. Capital investment is well above the level in recent years as we continue to invest in projects with good returns to deliver more efficient manufacturing processes and capacity expansion, particularly in developing markets.

Outlook

Our strong cash position has enabled us to continue to make investments in developing new products, expanding our market penetration and improving operating efficiency, even through this difficult period. The Group's strong customer value proposition and diversity of end user markets, customers, products and geographic spread, give us confidence in our future prospects.

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About Spirax Sarco

Spirax-Sarco Engineering plc is the world leader in both steam system management and peristaltic pumping. The Company provides a broad range of fluid control products, engineered packages, site services and systems expertise for its diverse range of over 100,000 industrial and institutional customers. The Company helps its customers to optimise production capacity, reduce energy costs and emissions, improve product quality and enhance the safety of their operations. Spirax Sarco is headquartered in Cheltenham, England, has strategically located manufacturing plants around the world and employs approximately 4,200 people, of whom 1,200 are direct sales and service engineers. Its shares have been listed on the London Stock Exchange since 1959 (*symbol: SPX*). Further information can be found at www.spiraxsarcoengineering.com