

At a glance

Meet Spirax Sarco...

Spirax Sarco is a UK-based multi-national engineering company tightly focused on its two niche businesses of steam system specialties and peristaltic pumping in which we are the world market leaders. We support our customers around the world with sales and manufacturing operations on all continents, and are able to provide same-day delivery in most parts of the world for the products and services our customers demand.

We have a worldwide network of outstanding local direct sales people. They have been trained to provide the knowledge and expertise that enable us to understand the challenges facing steam and pump users better than any of our competitors. Because of our application knowledge, long experience and global presence, we are able to offer the most extensive range of engineered solutions to our customers whilst delivering market-leading service standards.

Our continued focus on developing the business to achieve market share gains, along with geographic expansion, new product developments, acquisitions and an expanded range of products has enabled Spirax Sarco to generate steady, profitable growth for a long period of time, evidenced by our excellent 40+ years dividend record.

The Group continues to operate with a strong balance sheet. The business is highly cash generative and we consistently achieve a high return on capital employed.

**" over 40 years of
dividend record "**

Watson-Marlow peristaltic pump business

The Watson-Marlow pump business comprises 15% of Group revenues.

The unique properties of peristaltic pumps make them ideal for difficult pumping applications. They are highly accurate and controllable, and virtually maintenance-free, making them a very cost-effective solution. Watson-Marlow are specialists not only in the manufacture of the best and most advanced peristaltic pumps, but also in the application of those pumps to customers' processes.

Watson-Marlow is the global leader in peristaltic pumping and supplies products and systems to cover a wide range of flow rates and applications. Operating a "make-to-order" manufacturing system and uniquely extruding our own pump tubing, Watson-Marlow has the leading position in the supply of peristaltic pumps to the biotechnology, pharmaceuticals, waste water treatment, mining and food industries. The peristaltic pumping market is a small part of the global pump market, but it is one of the fastest growing segments.

Spirax Sarco steam business

The steam business comprises 85% of total Group revenues.

As a heat source, steam is the natural choice in most industrial processes due to its high heat-carrying capacity, controllability, sterility and efficiency as a heat transfer medium. With our specialist knowledge, technical expertise, range of products, prefabricated engineered packages and site services, as well as our global spread in local markets, Spirax Sarco is uniquely positioned to provide a broad range of engineering solutions to the many industries using steam.

We assist our customers to improve the efficiency of their process heating, increase the output of the process, reduce running costs (most notably energy consumption) and to lower their emissions. Our direct sales force is trained extensively in product application, system design and troubleshooting. Spirax Sarco can provide complete turnkey bespoke packages including design, fabrication, installation, commissioning and maintenance; creating a one-stop shop approach.

Our customers continue to face high fuel costs, pressure to improve the efficiency of their processes and the need for compliance to new safety, environmental and health legislation. Our products, expertise and experience mean we are uniquely able to focus on providing the most cost-effective solutions to our customers.



**" steam is used in a
broad range of industries "**

Delivering customer value

We go to market using mostly direct sales people. In doing so we form strong, long-term customer relationships. The company employs more than 1,300 direct sales and service people working in more than 33 countries in the world. Our sales and service engineers are trained to understand applications in a comprehensive range of industries, to analyse customer problems and then to supply the solution through the application of our products, prefabricated packages and services. They are highly trained in our 38 training centres around the world, most of which are equipped with live steam that facilitates hands-on training. These centres are used to train both our own people as well as our customers' technical staff. We also provide an extensive range of technical materials available on our websites.

Our sales people are highly skilled in not only product applications but, perhaps even more importantly, also in systems understanding and troubleshooting for unique customer applications and industrial processes. This product and systems application knowledge combined with local availability of products and on-site services enable our customers to achieve meaningful energy savings, comply with increasingly stringent health, environmental and safety regulations, reduce emissions and achieve more efficient processes.

It is not the products alone that provide the value to our customers, it is the application of our extensive knowledge.

Good opportunities for continued sales growth

Our business strategy is focused on achieving long-term, steady and profitable sales growth. The steam industry around the world is very fragmented, with many local or regional competitors. Despite our market-leading positions, we have a relatively small market share of the total available market and good opportunities remain for continued sales growth.

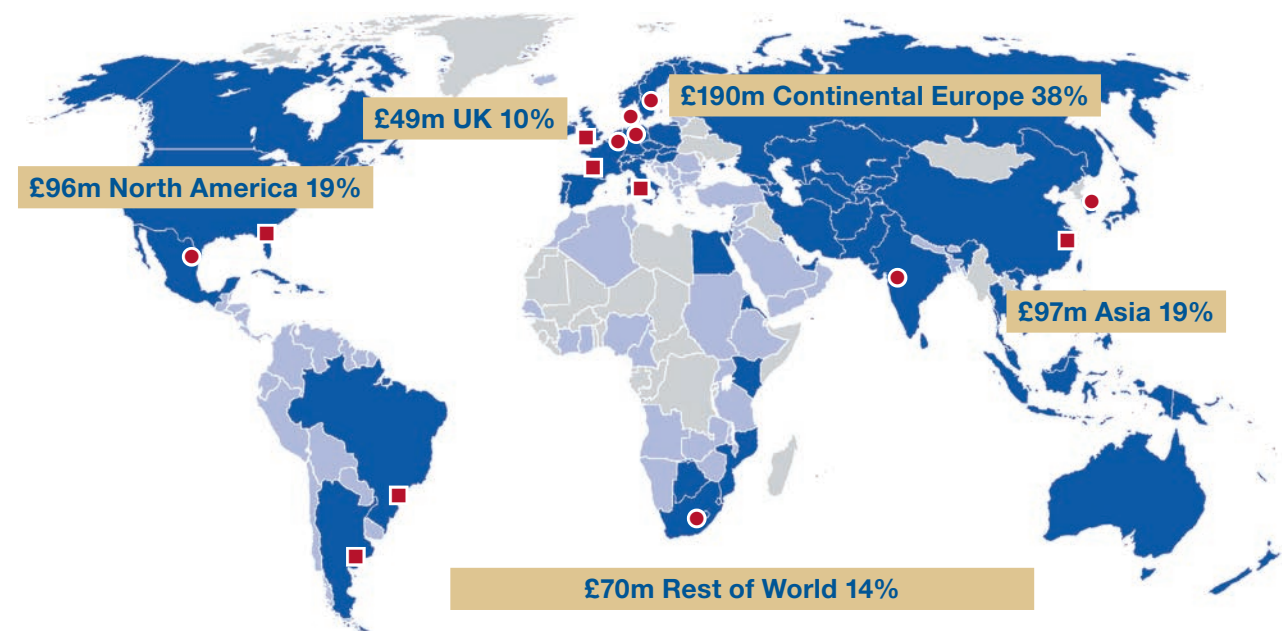
Steam is used in almost all processes, from curing and dyeing in a textile plant; to thermal cracking of crude oil in a refinery; to the moulding of tyres; to tight temperature control for consistent brewing flavour. We have broadened our range of products, applications, prefabricated engineered packages and site services to address changing customer needs as they outsource more of their design and maintenance activities.

Our traditional product markets such as steam traps, pressure controls and steam piping ancillaries, have always formed the foundation of our steam business and are the building blocks of our solutions approach. This will remain the case for the foreseeable future. However, our prefabricated engineered solutions that typically incorporate heat transfer technology, on-site auditing services and new products in controls and clean steam, are seeing good growth and are increasingly important to our strategic ambitions.

We continue to expand the available pump market for peristaltics by innovations in pump designs and tubing to broaden the range of applications. This creates an expanding market in the application of peristaltic pumping.

Global spread

The Group is surprisingly international for its size and is well spread geographically. Today we have 49 operating companies in 33 countries around the world and maintain operations on all continents. Despite being based in the UK, less than 10% of 2008 sales were destined for UK customers. We have a large presence in Europe (38% of 2008 sales), North America (19% of 2008 sales) and Asia (also 19% of 2008 sales). We also have sizeable operations in South America, Australasia and Africa. Our manufacturing operations are strategically located in all key market regions with major facilities located in the UK, France, Italy, USA, Brazil, Argentina, and China. We also manufacture in South Africa, Mexico, Netherlands, India, Germany, Sweden, Korea and Denmark. We are expanding our manufacturing footprint in Asia to better match the growing sales opportunities.



■ Group companies and sales offices
 ■ Distributors

■ Large manufacturing sites: UK, USA, France, Italy, China, Brazil and Argentina
 ● Other manufacturing sites: Mexico, Netherlands, Germany, Sweden, South Africa, India, Korea and Denmark