

Group at a glance

spirax
/sarco

Percentage of Group revenue

84%

Revenue

£434.9m

Operating profit

£72.6m

Operating profit margin

16.7%

What we do

Spirax Sarco is the global leader in the supply of engineered solutions for the efficient design, maintenance and operation of industrial and commercial steam systems. 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 fluid. With our specialist knowledge, technical expertise and wide range of products, as well as our extensive global presence, Spirax Sarco is uniquely positioned to provide a broad range of environmentally-friendly engineered solutions to the many industries using steam.

Our customers face a variety of challenges including high energy costs, pressure to improve the efficiency and capacity of existing processes and the need to comply with increasingly stringent health, safety and environmental legislation. Our direct sales force is trained at length in product application, system performance and troubleshooting of steam systems. The Spirax Sarco offering is very wide, from single products through to complete turnkey bespoke packages that can include design, fabrication, installation, commissioning and maintenance. All of this creates a compelling and attractive one-stop approach for our customers.

WATSON
MARLOW

Percentage of Group revenue

16%

Revenue

£83.8m

Operating profit

£22.3m

Operating profit margin

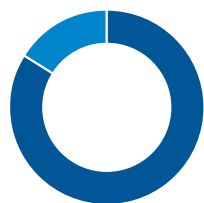
26.6%

What we do

Watson-Marlow is the global leader in peristaltic pumping and specialises not only in the design and manufacture of the most advanced peristaltic pumps, but also in the application of those pumps to customers' processes. Our peristaltic pumps are ideal for difficult pumping applications. They are highly accurate and controllable and virtually maintenance-free, making them a very reliable and cost-effective solution.

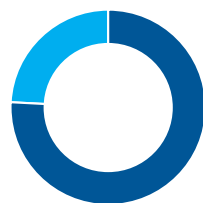
Operating a make-to-order manufacturing system and uniquely extruding our own pump tubing, we have the leading position in the supply of peristaltic pumps to the biotechnology, pharmaceuticals, wastewater treatment, mining and food industries. The peristaltic pumping market is a small part of the global pump market but it is one of the fastest growing segments.

Group revenue



Spirax Sarco
£434.9m
Watson-Marlow
£83.8m

Group operating profit



Spirax Sarco
£72.6m
Watson-Marlow
£22.3m

Revenue by business



Spirax Sarco
EMEA
£225.5m
Spirax Sarco
Americas
£104.6m
Spirax Sarco
Asia Pacific
£104.7m
Watson-Marlow
£83.8m

EMEA

Europe, Middle East and Africa

Revenue
£225.5m

Operating profit Operating profit margin
£35.6m 15.8%

Highlights of the year

- Difficult market conditions.
- Favourable exchange benefits from 13% weaker sterling against the euro.
- Good performance from large operations in France, Germany and Italy.
- Improved demand and sales in Russia in H2 after a very slow start in H1.
- Difficult year in the domestic UK market but good project wins in December.
- Reduced volumes at our manufacturing plants contributed to profit decline.
- Headcount down 8%.

Americas

Revenue
£104.6m

Operating profit Operating profit margin
£13.9m 13.2%

Highlights of the year

- End markets stabilised in H2 but continuing weakness in Canada.
- Favourable exchange benefits from 19% weaker sterling against the US dollar.
- Good trading margin of 13.2% versus 11.9% in 2008.
- Profit increase from 2008 closure of UltraPure.
- Lower profits in Brazil from strong currency impacting export market customers.
- Headcount down 13%.

Asia Pacific

Revenue
£104.7m

Operating profit Operating profit margin
£23.1m 22.1%

Highlights of the year

- Market conditions mixed but improving.
- Favourable exchange benefits from 21% stronger renminbi.
- Strong shipments in Q4 from backlog.
- Added new sales people in China.
- Pre-fabricated heat exchange package sales up 30%.
- Significant improvement in Japan trading profit from FX benefit.
- Headcount down 3%.

Highlights of the year

- End markets stabilised and improving.
- Favourable benefits from the strong US dollar.
- Good Q1 project orders in the US contributed to H2 shipments.
- Good underlying project activity in pharmaceuticals and biotechnology.
- Strong sales growth in Asia.
- Increased demand for Flexicon products.
- Sales declined at Bredel from difficult mining and general industrial markets.
- MasoSine acquisition integration proceeding well.
- Headcount down 2%.

Our performance at a glance

Adjusted*				Total			
Year to 31st December	2009	2008	Change	Year to 31st December	2009	2008	Change
Revenue	£518.7m	£502.3m	+3%	Revenue	£518.7m	£502.3m	+3%
Operating profit	£89.9m	£85.7m	+5%	Operating profit	£76.5m	£81.0m	-6%
Operating profit %	17.3%	17.1%		Profit before taxation	£76.4m	£85.2m	-10%
Profit before taxation	£90.2m	£90.1m	0%	Earnings per share	69.6p	78.0p	-11%
Earnings per share	82.2p	83.4p	-1%	Dividends per share	36.1p	33.3p	+8%
Dividends per share	36.1p	33.3p	+8%				

* All profit measures exclude exceptional headcount reduction costs of £11.4 million (2008: £nil), the amortisation of acquisition-related intangible assets of £2.4 million (2008: £1.9 million), of which £0.4 million (2008: £0.3 million) relates to Associates, and the impairment of goodwill and intangible assets of £nil (2008: £3.1 million). The tax effect on these items was £4.1 million (2008: £0.9 million).

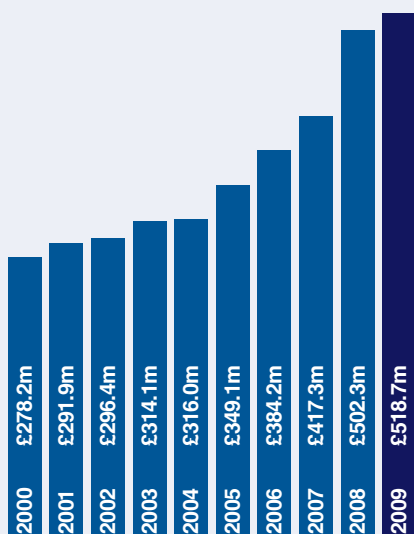
Revenue

£518.7m +3%

Highlights

- Sales up 3% and down 7% at constant currency.
- Sales performance broadly similar across all geographic regions and business segments.
- Acquisitions added less than 1% to sales.

10 year record



10 year record highlights

- 7% growth pa over last ten years.

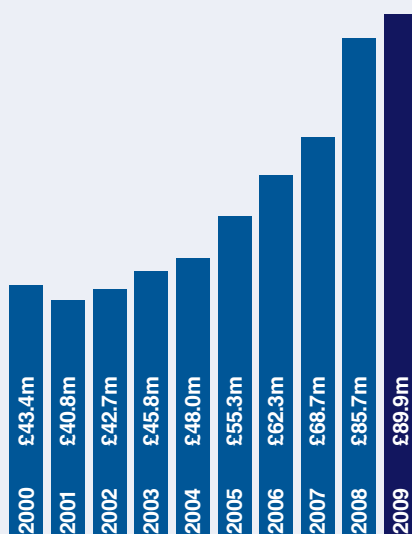
Operating profit*

£89.9m +5%

Highlights

- Adjusted operating profit up 5% and down 12% at constant currency.
- Profit increase from management actions to reduce costs, pricing, resourcing materials and favourable currency.
- Adjusted operating profit margin increased to 17.3%.
- Eighth year of profit margin improvement.

10 year record



10 year record highlights

- 8% growth pa over last ten years.

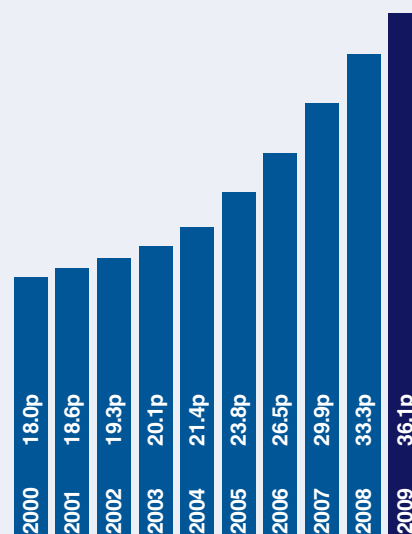
Dividend

36.1p +8%

Highlights

- Final proposed dividend up 10% to 25.6p.
- Dividend cover 2.3 times.

10 year record



10 year record highlights

- 8% growth pa over last ten years.