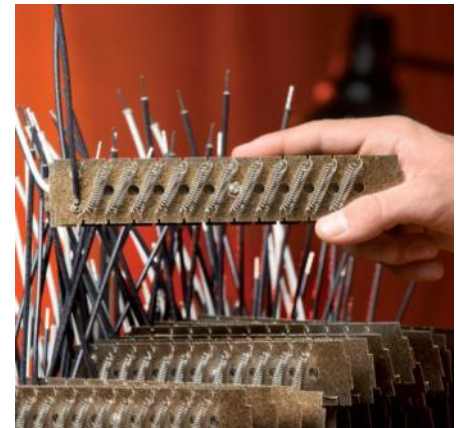
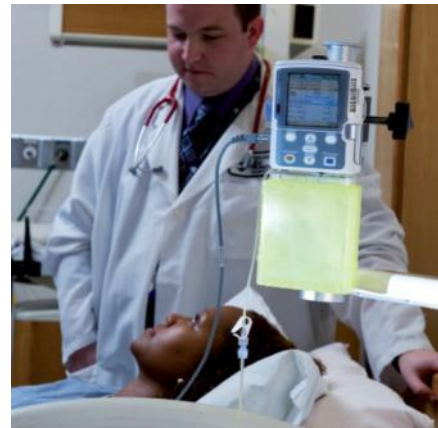


smiths

bringing technology to life

**J.P.Morgan Cazenove
Capital Goods CEO Conference**

Philip Bowman, Chief Executive



investor.relations@smiths.com

This presentation contains certain forward-looking statements with respect to the operations, performance and financial condition of the Group. By their nature, these statements involve uncertainty since future events and circumstances can cause results and developments to differ materially from those anticipated. The forward-looking statements reflect knowledge and information available at the date of preparation of this presentation and the Company undertakes no obligation to update these forward-looking statements. Nothing in this presentation should be construed as a profit forecast.

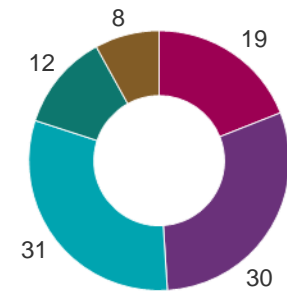
Smiths Group at a glance

2009 Full year figures

Sales	£2.7bn	\$4.2bn
Operating margin	16%	
EPS	72.4p	\$1.14
Market cap*	£4.0bn	\$5.9bn

Divisional sales %

- Smiths Detection
- John Crane
- Smiths Medical
- Smiths Interconnect
- Flex-Tek



Smiths Detection



Smiths Detection is a world-leading designer and manufacturer of sensors that detect and identify explosives, narcotics, weapons, chemical agents, biohazards and contraband.

John Crane



John Crane is a world-leading provider of products and services for the major process industries. These include the oil and gas, power generation, chemical, pharmaceutical, pulp and paper, and mining sectors.

Smiths Medical



Smiths Medical is a leading supplier of specialist medical devices and equipment for global markets. Our products are focused in the medication delivery, vital care and safety devices market segments.

Smiths Interconnect



Smiths Interconnect designs and manufactures specialized electronic and radio frequency products that connect, protect and control critical systems for global wireless telecommunications, aerospace, defense, space, rail, medical and industrial markets.

Flex-Tek



Flex-Tek provides engineered components that heat and move fluids and gases for the aerospace, medical, industrial, construction and domestic markets.

* Market capitalisation at 2 June 2010

Smiths Group: Opportunities to create value

Delivering operational efficiencies

- Improve margins through restructuring and 'self-help' programs
- Upgrade our business systems to drive faster data-based decisions and leverage scale

Cash generation

- Continue to reduce working capital as percentage of sales
- Focus on cash generation to fund growth

Investing in future growth

- Investing in targeted R&D to launch new products
- Growing our technology and reach through bolt-on acquisitions
- Expansion in developing markets

Further scope for operational efficiencies and self-help

Restructuring programme to deliver £50m of savings

- Delivered £27m of savings to date – half way through a 3 year programme
- Self-help initiatives to drive operational efficiencies

Improvement of business systems

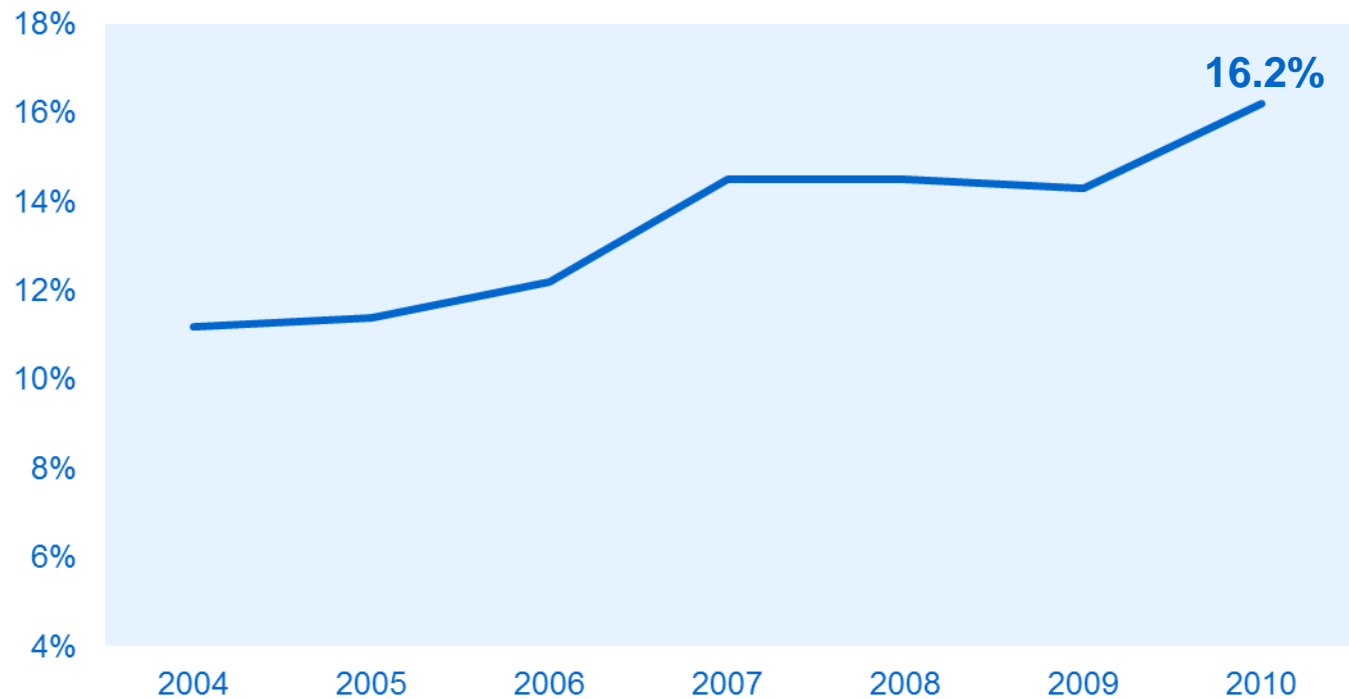
- Good progress on ERP systems in all divisions
- Smiths Detection and Smiths Medical complete; John Crane complete in July

Better information enables us to leverage the Group scale

- 15k suppliers serve more than one division
- 60 suppliers serve every division
- Savings of £15m delivered to date - freight, utilities, packaging
- Further savings expected in this year

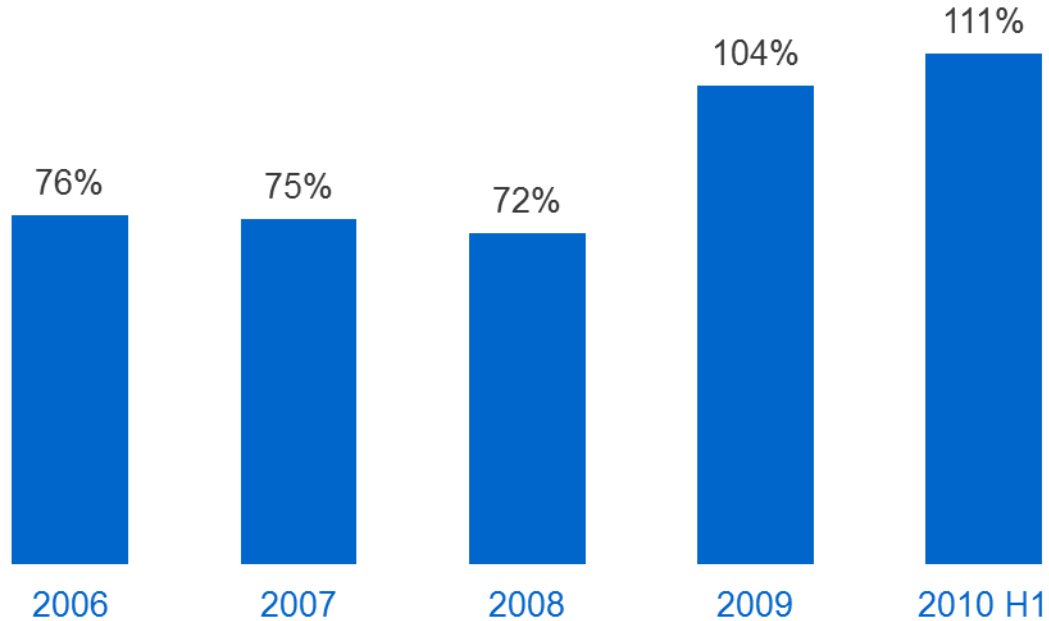
Delivering further margin improvement

First half margins have reached a ten-year high



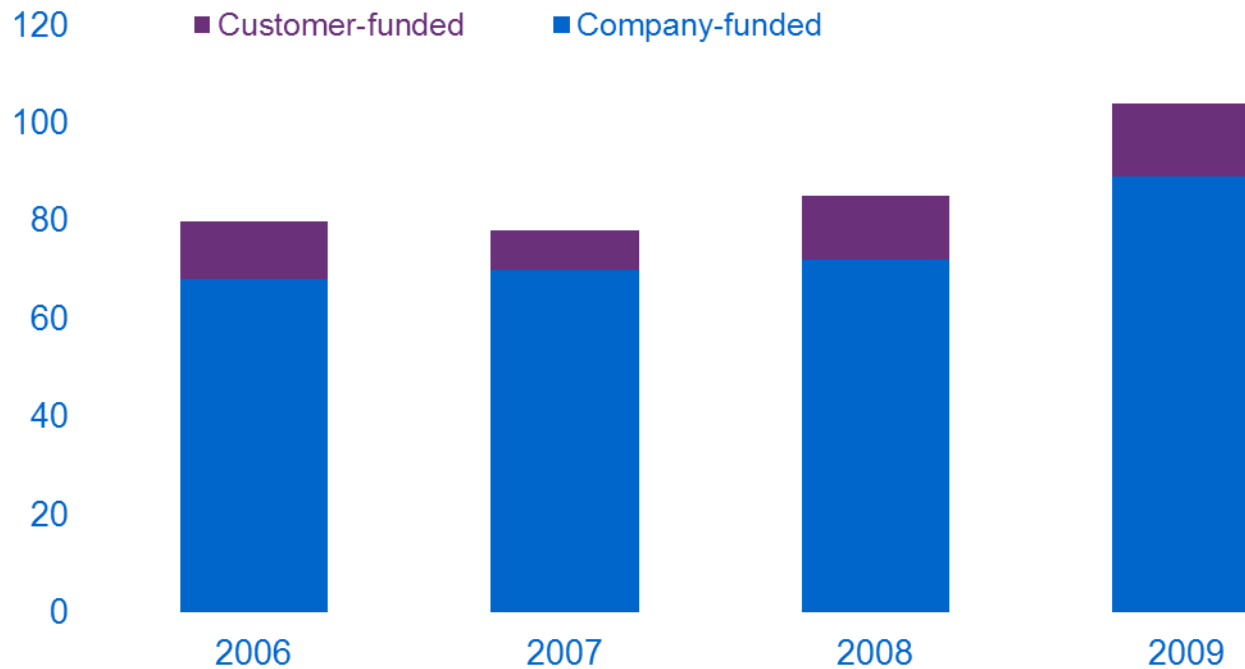
Improved operating cash conversion

- Focus on improved working capital management
- Particularly inventories and debtors
- Cash conversion remained strong in Q3 FY10



Investing in increased R&D to launch new products

Increase in both company-funded and customer-funded R&D



Improving the portfolio: Overview of M&A activity over past three years

	Date	Sales £m	Complementary technologies	Extending geography	Leveraging infrastructure
John Crane					
Sartorius	Nov 07	£14m	✓✓	✓	✓✓
John Crane Japan*	Dec 07	£16m		✓✓	
Indufil	Apr 08	£25m	✓✓		✓✓
Fiberod	May 08	£12m	✓✓		✓
Orion	May 09	£31m	✓✓		✓✓
Smiths Medical					
Zumi	Nov 08	£7m	✓	✓✓	✓
Smiths Interconnect					
Allrizon	May 08	£5m	✓	✓✓	✓
Triasx	July 08	£13m	✓✓	✓✓	✓✓
Dowin	April 09	£10m	✓	✓✓	✓
Channel Microwave	Oct 09	£4m	✓		✓
Interconnect Devices	April 10	£55m	✓✓	✓✓	✓✓
Flex-Tek					
Fast Heat	Feb 08	£7m	✓✓		✓

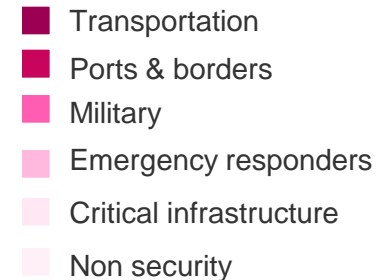
* Acquisition of 21% stake to take a controlling share of 70%

Smiths Detection: Sales growth and margin improvement

2009 Sales: £501m
19% of Group sales

2010 H1 Sales: £266m
Operating profit: £39m
14.5% margin

2010 H1 sales %



Long-term market drivers:

- Threats, legislation and new technologies

Investing 7.4% of sales on R&D

- New product launches – mm wave body screening
- Developing next-generation of baggage screening with Analogic
- Partnership with Novartis for clinical diagnostics

Recent trends:

- Ports & borders benefiting from new contract wins
- Strong growth in Military driven by the JCAD programme
- Transportation returned to growth – increased orders for explosive trace detection

John Crane: Margins benefiting from restructuring programme

2009 Sales: £790m
30% of Group sales

2010 H1 Sales: 358m
Operating profit: £64m
17.9% margin

2010 H1 sales %

■ First-fit OEM 37%

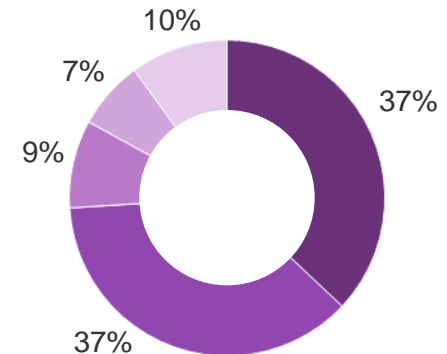
Aftermarket 63%

■ Oil, gas & petrochemical

■ Chemical and pharma

■ Distributors

■ General industry



Long-term market drivers:

- Demand for energy; aftermarket services

Margin improvements from restructuring programme

- £25m of annualised savings due; £12m delivered

Mechanical seals, seal support systems and couplings

- First-fit OEM sales declined 16% reflecting capex cuts
- Aftermarket - oil & gas down 2%; other markets down 12%

Bolt-on acquisitions have doubled addressable market

- Complementary products: bearings, filters, upstream
- Leveraging the global network of service centres

Recent trends:

- Improving order book and margin expansion
- Return to sales growth in the second half

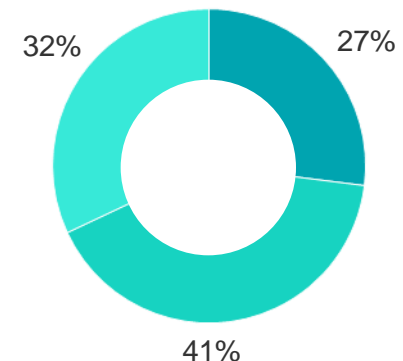
Smiths Medical: Delivering positive sales momentum and margin growth

2009 Sales: £834m
31% of Group sales

2010 H1 Sales: £414m
Operating profit: £86m
20.9% margin

2010 H1 sales %

- Medication Delivery
- Vital Care
- Safety Devices



Long-term market drivers:

- Ageing populations, disposable income and legislation

Positive sales momentum has continued - ex diabetes

Margins boosted by cost savings and portfolio profitability review

Investing 3.4% of sales on new product development:

- Significant increase in sales from products <3 years old
- Planned increase in investment

Recent trends:

- Delivering further like-for-like sales growth
- Scope for further margin benefits

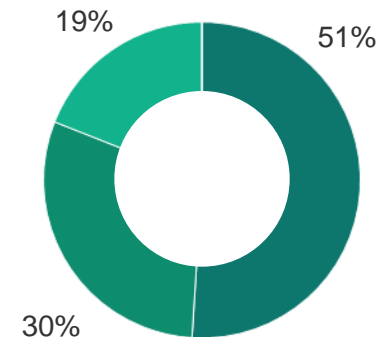
Smiths Interconnect: Delivering margin growth; launching new products

2009 Sales: £318m
12% of Group sales

2010 H1 Sales: £146m
Operating profit: £23m
16.0% margin

2010 H1 sales %

- Military/Aerospace
- Wireless
- Medical, rail and automation



Long-term market drivers:

- Defence spend on military communications
- Wireless subscribers and infrastructure upgrades

Margins improving while investing in R&D:

- Margins benefiting from restructuring
- R&D 6.6% of sales; launched new products e.g. KuStream antenna

Bolt-on acquisitions have expanded portfolio and presence:

- Five acquisitions in past two years; four with Asia Pacific presence

Recent trends:

- Military programmes proving more defensive
- Signs of stabilisation in wireless telecommunications
- Second half sales expected to show underlying growth

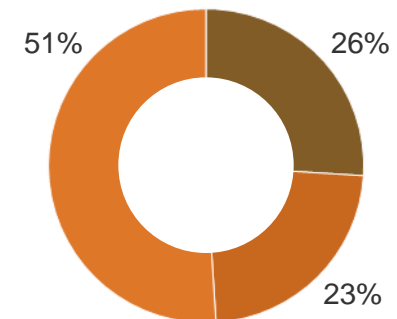
Flex-Tek: Leveraged to a recovery in US residential construction

2009 Sales: £96m
8% of Group sales

2010 H1 Sales: £96m
Operating profit: £9m
9.8% margin

2010 H1 sales %

- Aerospace
- Flexible Solutions
- Heat Solutions



Long-term market drivers:

- US residential construction and GDP
- Aerospace demand for new aircraft

Restructuring programme is preserving margins:

- Closed several manufacturing sites
- £3m savings delivered to date – total £7m due

Recent trends:

- Growth in US housing and appliances following years of declines
- Aerospace remains weak

Strongly leveraged to recovery in US residential construction

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Questions?

2010 Investor Days

Smiths Interconnect - Tampa, FL – June 22

Smiths Medical - St Paul, MN – June 23

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