

**News Release**

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For immediate release

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**SMITHS GROUP PLC INTERIM MANAGEMENT STATEMENT**

Smiths Group Chairman Donald Brydon will make the following Interim Management Statement at the Company's Annual General Meeting in London today.

In the three months to 2 November 2013, overall trading at Smiths Group has been in line with expectations. Revenue and headline operating profit have both grown on an underlying and reported basis. Headline operating profit improvements in Detection, John Crane and Flex-Tek more than offset some weakness in Medical and Interconnect. Expectations for the year remain broadly in line with the outlook given at the full year results, although foreign exchange translation is expected to be a headwind at current rates and sales to government-funded customers remain a risk.

John Crane delivered modest headline operating profit growth in the first quarter as a result of productivity gains and favourable mix. Revenue was at a similar level to last year with continued growth in aftermarket revenues offsetting weaker sales to first fit OEM customers, reflecting the phasing of certain projects. The order book is ahead of last year with a positive book-to-bill ratio. As a result, John Crane is expected to grow in line with the outlook given at the full year results in September.

Smiths Medical saw underlying revenue decline as improved hardware sales were more than offset by a weakness in demand for single-use consumables. As expected, headline operating profit in the first quarter was held back by the impact of the US medical device tax and continued tough trading in developed markets. The full year performance is expected to be below the prior year for the same reasons.

Smiths Detection delivered strong underlying revenue and headline operating profit in the first quarter against a weak comparator period. We continue to pursue operational improvements and manufacturing efficiencies. The order book for the full year remains slightly below the equivalent point last year. As a result, we remain cautious about the revenue outlook, but expect productivity initiatives to benefit margins.

Smiths Interconnect experienced declines in underlying revenue and headline operating profit against a strong comparator period. Growth in Power was offset by lower revenues in Microwave and Connectors caused by a slowdown in demand from defence customers and

on-going weakness in Europe, despite increased sales in the telecommunications market. Looking to the full year, improved trading in some commercial end markets is likely to offset weaker demand in defence, resulting in relatively modest growth overall, with a bias to the second half.

Flex-Tek has made good progress growing underlying revenue through a strong performance in US residential construction. Headline operating profit and margins improved as a result of the higher volumes. Despite a demanding comparator period, the outlook for the full year remains positive driven by the aerospace order book and US housing.

At 2 November, net debt was £740m, slightly reduced from the £744m at 31 July 2013.

ENDS

This press release 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 the press release and the Company undertakes no obligation to update these forward-looking statements. Nothing in this press release should be construed as a profit forecast.

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**Smiths Group**

Smiths is a global technology company listed on the London Stock Exchange (SMIN) and operates a sponsored level one ADR programme (SMGZY). A world leader in the practical application of advanced technologies, Smiths Group delivers products and services for the threat & contraband detection, medical devices, energy and communications markets worldwide. Our products and services make the world safer, healthier and more productive. Smiths Group employs around 23,000 people in over 50 countries. For more information visit [www.smiths.com](http://www.smiths.com)