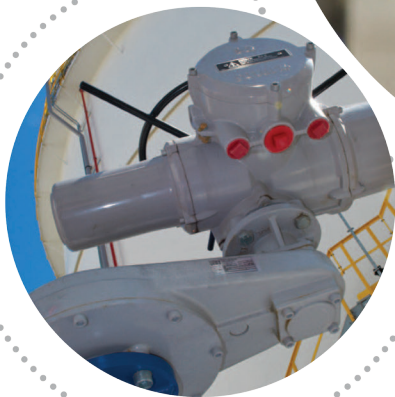




REDEFINING FLOW CONTROL



HALF YEAR RESULTS 2013

6 AUGUST 2013

Presented by

- Chairman - Roger Lockwood
- Chief Executive - Peter France
- Finance Director - Jonathan Davis



rotork highlights

- Record first half order intake, revenue and profit
- Successfully integrating acquisitions
- Expansion of product portfolio
- Continued investment for growth
- Acquisition of GTA, Renfro, Flowco

A slide titled "Financial Review" by Finance Director Jonathan Davis. It features a central red circle and four circular inset images representing different industries: "WATER" (wastewater treatment), "OIL & GAS" (industrial machinery), "INDUSTRIAL" (large red rollers), and "POWER" (power plant equipment).

Financial Review
Finance Director – Jonathan Davis

rotork[®] financial highlights

	2013	2012	%	OCC %	
Order intake	£294m	£269m	+9.4%	+2.4%	↑
Order book	£208m	£178m	+17.2%	+17.3%	↑
Revenue	£276m	£246m	+12.3%	+5.2%	↑
Adjusted operating profit	£70m	£62m	+13.7%	+5.6%	↑
Adjusted operating margin	25.4%	25.1%	+30 bps	+10 bps	↑
Adjusted EPS	57.6p	50.8p	+13.4%	+5.5%	↑
Interim DPS	18.05p	16.40p	+10.1%		↑

Note:
OCC = Organic constant currency figures have all acquisitions removed and are restated at 2012 exchange rates
Adjusted is before the amortisation of acquired intangible assets.

Redefining Flow Control

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rotork[®] constant currency analysis

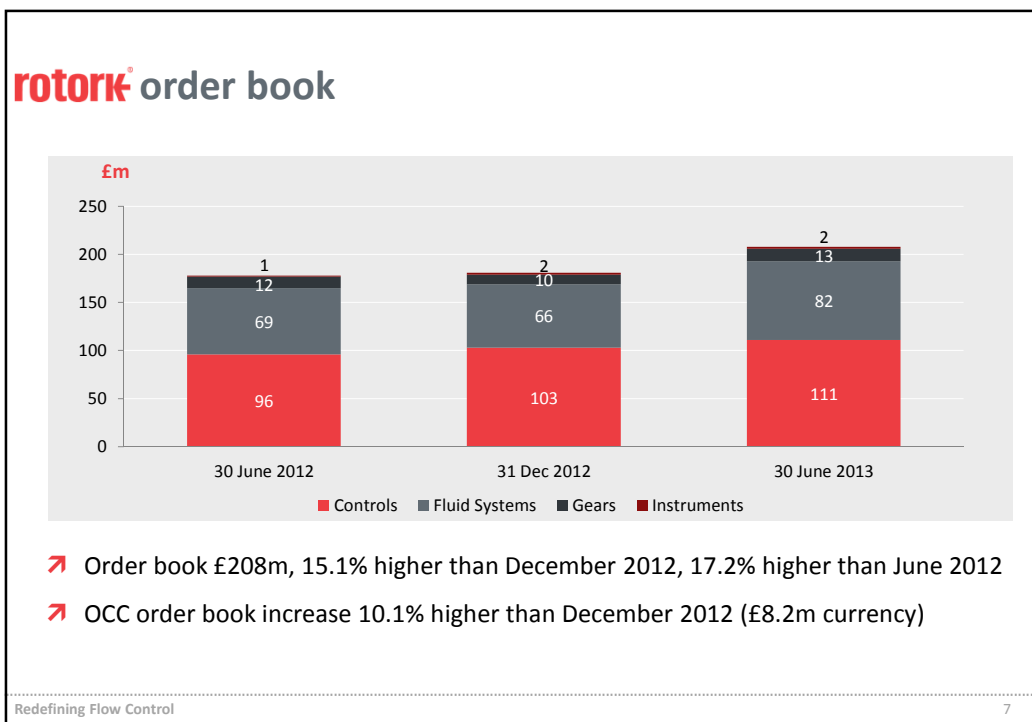
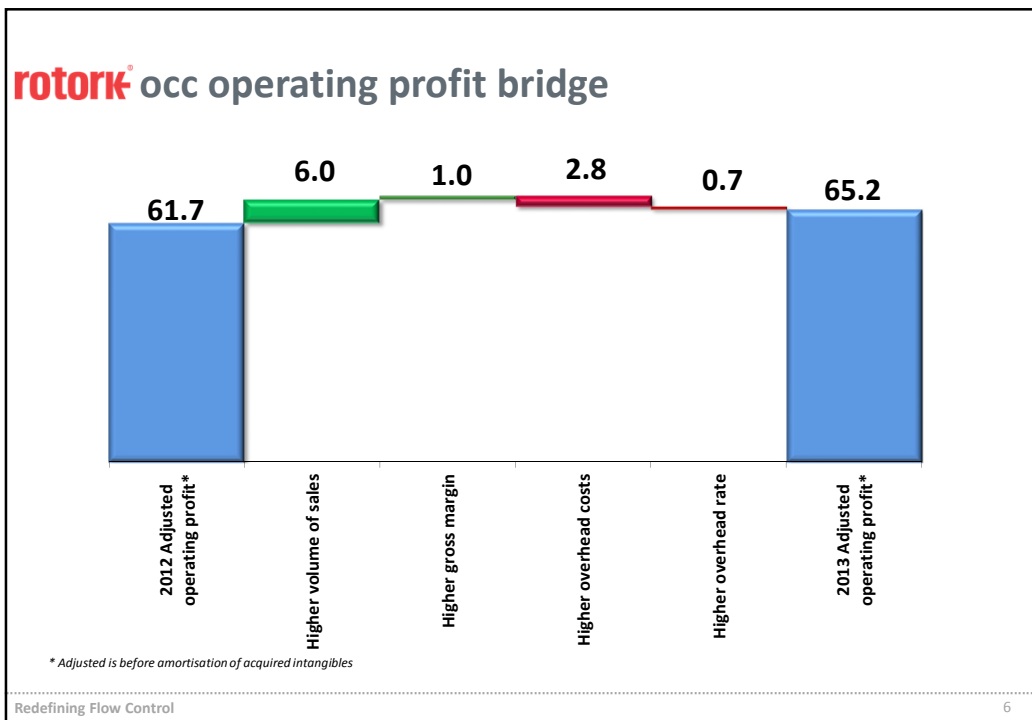
£m	H1 2013 as Reported	Adjust to get CC	H1 2013 as 2012 Rates	Remove Acqn.	H1 2013 at OCC	H1 2012				
Revenue	276.1	(7.2)	268.9	(10.4)	258.5	245.9				
Cost of Sales	(143.9)	4.5	(139.4)	3.8	(135.6)	(130.0)				
Gross Profit	132.2	47.9%	(2.7)	129.5	48.1%	(6.6)	122.9	47.5%	115.9	47.1%
Overheads	(62.0)	22.5%	1.2	(60.8)	22.6%	3.1	(57.7)	22.3%	(54.2)	22.0%
Adjusted operating profit*	70.2	25.4%	(1.5)	68.7	25.6%	(3.5)	65.2	25.2%	61.7	25.1%


- ↗ OCC gross margins 40 bps higher
- ↗ OCC overheads increased 30 bps
- ↗ OCC net margin 10 bps higher

* Adjusted is before amortisation of acquired intangibles

Redefining Flow Control

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rotork controls division 

£m	H1 2013	H1 2012	Change	OCC Change
Revenue	152.6	146.2	+4.4%	-3.3%
Adjusted operating profit*	49.0	46.6	+5.2%	-2.2%
Adjusted operating margin*	32.1%	31.9%	+20bps	+30bps

- Order intake +2.3% (OCC -5.1%)
- Improved operating margin
- OCC overhead increase £0.9m and higher as a function of revenue

Note:
OCC = Organic constant currency figures have all the acquisitions removed and 2013 restated at 2012 rates.
* = adjusted, before the amortisation of acquired intangible assets.

Redefining Flow Control 8


rotork fluid systems division 

£m	H1 2013	H1 2012	Change	OCC Change
Revenue	89.2	71.4	+24.9%	+21.1%
Adjusted operating profit*	14.2	9.2	+54.2%	+50.0%
Adjusted operating margin*	15.9%	12.9%	+300bps	+300bps

- Order intake +20.2% (OCC +16.4%)
- Remains fastest growing division
- Adjusted operating margin 15.9%

Note:
OCC = Organic constant currency figures have all the acquisitions removed and 2013 restated at 2012 rates.
* = adjusted, before the amortisation of acquired intangible assets.

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rotork[®] gears division 

£m	H1 2013	H1 2012	Change	OCC Change
Revenue	27.1	25.3	+7.1%	+4.5%
Adjusted operating profit*	6.1	5.6	+8.8%	+7.0%
Adjusted operating margin*	22.3%	22.0%	+30bps	+50bps

- Order intake +1.7% (OCC -2.1%)
- Improved gross margins
- OCC margin 22.5%

Note:
OCC = Organic constant currency figures have all the acquisitions removed and 2013 restated at 2012 rates.
* = adjusted, before the amortisation of acquired intangible assets.

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rotork[®] instruments division 

£m	H1 2013	H1 2012	Change	OCC Change
Revenue	12.4	8.3	+48.9%	+10.4%
Adjusted operating profit*	3.9	2.7	+43.8%	+3.7%
Adjusted operating margin*	31.4%	32.6%	-120bps	-200bps

- Order intake +53.8% (OCC +10.5%)
- Investment in sales
- Investing in product development

Note:
OCC = Organic constant currency figures have all the acquisitions removed and 2013 restated at 2012 rates.
* = adjusted, before the amortisation of acquired intangible assets.

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rotork[®] income statement

£m	H1 2013	H1 2012	Change
Adjusted operating profit*	70.2	61.7	+13.7%
Intangible amortisation	(5.7)	(3.6)	
Operating profit	64.5	58.1	+10.9%
Net financial expense	(0.9)	0.0	
Profit before tax	63.6	58.1	+9.5%

↗ Pension finance charge increased £0.4m to £0.6m (IAS19)

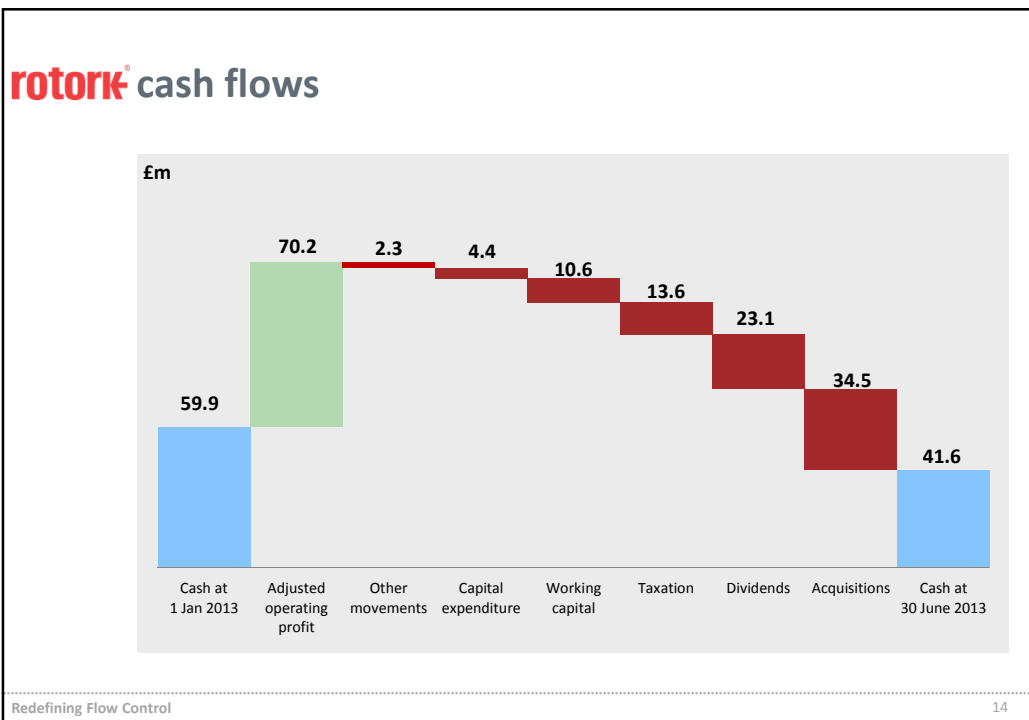
↗ PBT growth with 2012 restated 10.2%

* Adjusted is before amortisation of acquired intangibles

rotork[®] earnings per share

	H1 2013	H1 2012	Change
PBT as reported (£m)	63.6	58.1	+9.5%
Adjusted PBT* (£m)	69.4	61.7	+12.3%
Effective tax rate	28.0%	28.7%	-70bps
Basic EPS as reported	52.8p	47.8p	+10.5%
Adjusted basic EPS*	57.6p	50.8p	+13.4%

* Adjusted is before amortisation of acquired intangibles



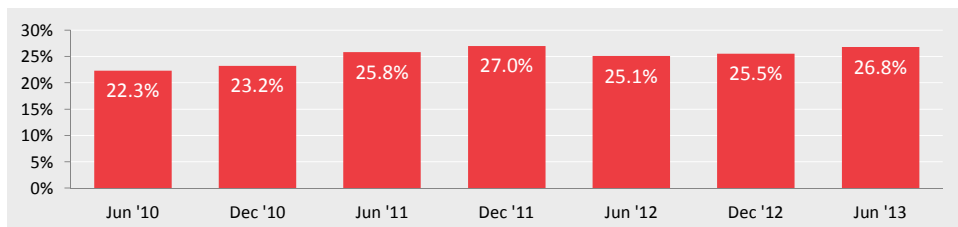
rotork® acquisitions in July / August

	£m
Consideration	14
Proforma 2013 FY revenue (estimated)	14
Proforma 2013 FY operating profit (estimated)	2

- July – Flowco Ltd
- August – Renfro Associates Inc
- August – GTA Group (GT Attuatori Srl, GT Attuatori Europe GmbH, Max Process GmbH)

Redefining Flow Control 15

rotork[®] working capital



£m	Jun 2013	% Annual revenue	Dec 2012	% Annual revenue
Inventory	86.7	15.7%	71.1	13.9%
Trade Receivables	103.9	18.8% (53 D.S.O.)	95.8	18.7% (56 D.S.O.)
Trade Payables	(42.7)	7.7%	(36.3)	7.1%
Net Working Capital	147.9	26.8%	130.6	25.5%

rotork[®] dividend overview

Core Dividend	Month paid/payable	Amount (Pence)	Cost (£m)
2011 Final	May 2012	22.75p	19.7
2012 Interim	September 2012	16.40p	14.2
Paid in 2012		39.15p	33.9
2012 Final	May 2013	26.60p	23.1
2013 Interim	September 2013	18.05p	15.7
Paid / Payable in 2013		44.65p	38.8

- ↗ Interim dividend increase 10.1%
- ↗ Dividend payable in the year increased by 14.0%
- ↗ Dividend cover 2.4 times (2012 HY: 2.4 times)

Operating Review
Chief Executive – Peter France

Water
Oil & Gas
Industrial
Power

Redefining Flow Control

rotork® group revenue by:

- Growth in all divisions
- Fluid Systems fastest growing division
- Oil & gas showed strongest growth
- Power market has been impacted by India & China
- Industrial increase due to Schischek & Instruments / mining

Division

Division	2012 (£m)	2013 (£m)
Controls	~140	~150
Fluid Systems	~80	~90
Gears	~20	~25
Instruments	~10	~15

Source: Rotork Internal Data

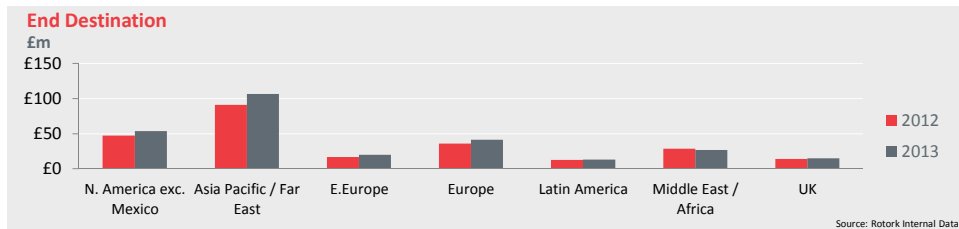
End User Market

End User Market	2012 (£m)	2013 (£m)
Oil & Gas	~140	~150
Water	~40	~45
Power	~30	~35
Industrial & Mining	~20	~25
Other	~10	~15

Source: Rotork Internal Data

Redefining Flow Control

rotork® group revenue by:



- Strong growth rates from North America, Asia Pacific / Far East & Eastern Europe
- Contribution from Schischek & Fluid Systems to growth in European business
- End destination still dominated by Asia Pacific / Far East

rotork® controls



Highlights

- Europe subdued
- Australian project deliveries
- Integration of Schischek

Opportunities

- Expanded facilities
- Improving market in India
- New product introductions



rotork® fluid systems



Highlights

- Further operating margin progress
- Improvement in all regions
- Mexico and Australia positive

Opportunities

- GTA Group acquisition
- Gas infrastructure projects
- Product development investment



rotork® gears

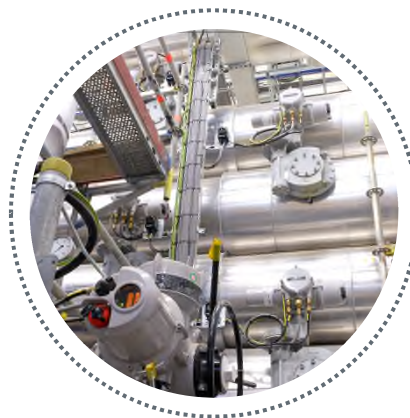


Highlights


- Key account development
- Italy and China performing well
- Supply chain

Opportunities

- New product ranges
- Renfro acquisition



rotork[®] instruments




Highlights

- Soldo integration
- Building sales team
- Product launches


Opportunities

- Links within Rotork
- Acquisitions



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rotork[®] site services




Highlights

- Flowco acquisition
- Utilisation remains high
- Improved workshop facilities

Opportunities

- Recruiting service engineers
- Spreading best practice



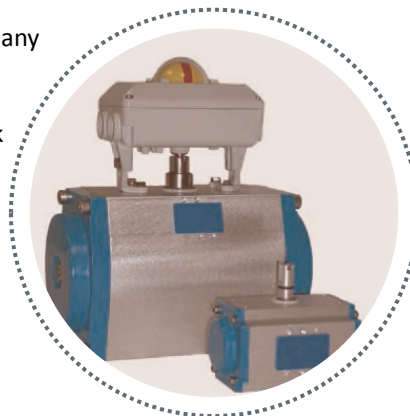
Redefining Flow Control 25

rotork[®] acquisition - GTA Group



Highlights

- Established in 1963
- Based in Milan, Italy and Sinzig, Germany
- Centre of excellence in Germany
- Manufacture range of pneumatic rack and pinion actuators
- 44 employees in total

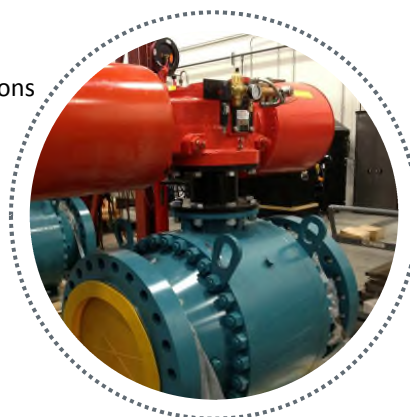


rotork[®] acquisition - Renfro Associates




Highlights

- Established in 1979
- Based in Broken Arrow, Oklahoma
- Design and manufacture valve adaptations
- 18 employees




rotork[®] acquisition - Flowco Ltd



Highlights

- Based near Bath
- Dedicated team of service engineers
- Focus on water industry
- 22 employees

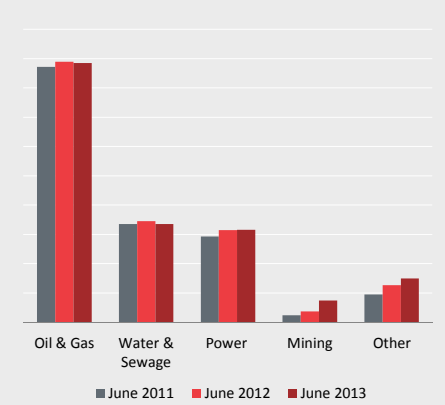


Redefining Flow Control
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rotork[®] project activity

Project Activity: Industry Type

No of Projects

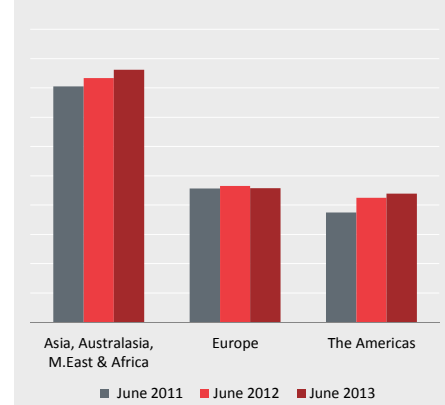


Industry Type	June 2011	June 2012	June 2013
Oil & Gas	~10	~10	~10
Water & Sewage	~5	~5	~5
Power	~4	~4	~4
Mining	~1	~1	~1
Other	~2	~3	~4

Source: Rotork Internal Data

Project Activity: End Destination

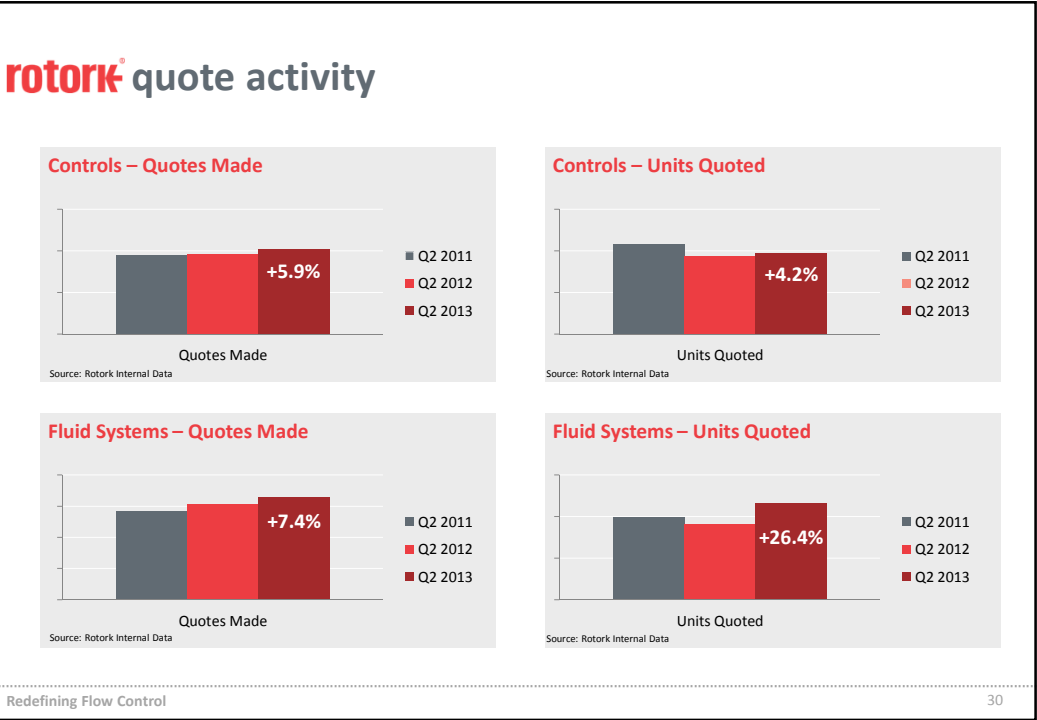
No of Projects



End Destination	June 2011	June 2012	June 2013
Asia, Australasia, M.East & Africa	~10	~10	~10
Europe	~5	~5	~5
The Americas	~4	~4	~4

Source: Rotork Internal Data

Redefining Flow Control
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rotork[®] outlook

- Second half weighted revenue
- Growth markets
- Acquisitions
- Confident of further progress

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WATER

OIL & GAS

INDUSTRIAL


POWER

Questions

Date for the diary:
Capital Markets Day
Friday 29 November

Redefining Flow Control

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WATER

OIL & GAS

INDUSTRIAL

POWER

Appendix

Redefining Flow Control

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rotork[®] appendix: summary divisional performance

	Controls		Fluid Systems		Gears		Instruments		Group	
	H1 '13	H1 '12	H1 '13	H1 '12	H1 '13	H1 '12	H1 '13	H1 '12	H1 '13	H1 '12
Revenue (£M)	152.6	146.2	89.2	71.4	27.1	25.3	12.4	8.3	276.1	245.9
Growth	4.4%		24.9%		7.1%		48.9%		12.3%	
OCC Growth	-3.3%		21.1%		4.5%		10.4%		5.2%	
Adjusted operating profit* (£M)	49.0	46.6	14.2	9.2	6.1	5.6	3.9	2.7	70.2	61.7
Growth	5.2%		54.2%		8.8%		43.8%		13.7%	
OCC Growth	-2.2%		50.0%		7.0%		3.7%		5.6%	
Adjusted operating margin*	32.1%	31.9%	15.9%	12.9%	22.3%	22.0%	31.4%	32.6%	25.4%	25.1%
Growth	+20 BPS		+300 bps		+30 bps		-120 bps		+20 BPS	
OCC Growth	+30 BPS		+300 bps		+50 bps		-200 bps		+10 BPS	

Note:
OCC = Organic constant currency figures have all the acquisitions removed and 2013 restated at 2012 rates.
* = adjusted, before the amortisation of acquired intangible assets.

rotork[®] appendix: adjusted operating profit by segment

£m	H1 2013 Reported	H1 2013 Adjustment	H1 2013 Adjusted	H1 2012 Reported	H1 2012 Adjustment	H1 2012 Adjusted	Increase
Controls	47.0	2.0	49.0	46.2	0.4	46.6	+5.2%
Fluid Systems	13.4	0.8	14.2	8.0	1.2	9.2	+54.2%
Gears	6.0	0.1	6.1	5.5	0.1	5.6	+8.8%
Instruments	1.1	2.8	3.9	0.7	2.0	2.7	+43.8%
Unallocated	(2.9)	0.0	(2.9)	(2.3)	0.0	(2.3)	-
Total	64.5	5.7	70.2	58.1	3.6	61.7	+13.7%

Notes:

- Adjustments relate to amortisation of acquired intangible assets.
- Adjustments to profit before tax are the same as those to operating profit.

rotork[®] appendix: average exchange rates

Average rates trading:	US\$	Euro
H1 2012	1.58	1.22
H2 2012	1.60	1.24
Full Year 2012	1.59	1.23
H1 2013	1.53	1.17
+ = GBP strengthening / - = GBP weakening	-3.1%	-4.2%

rotork[®] appendix: period end exchange rates

Period end rates:	US\$	Euro
June 2012	1.57	1.24
December 2012	1.62	1.23
June 2013	1.52	1.17
+ = GBP strengthening / - = GBP weakening	-3.3%	-5.6%

rotork® appendix: cash flow statement

£000	First half		First half		Full year	
	2013	2012	2012	2012	2012	2012
Opening cash balance		59,868		48,519		48,519
Adjusted operating profit		70,210		61,745		131,866
Other movements						
Amortisation of development costs	602		464		924	
Development costs capitalised	(714)		(924)		(2,075)	
Depreciation	3,130		2,567		5,452	
Equity settled share based payments	1,037		877		2,030	
Own shares acquired	(3,601)		(2,050)		(2,850)	
Issue of ordinary shares	44		70		425	
Profit on sale of assets	(40)		(38)		(859)	
Difference between pension charge and cash contributions	(285)		(3,242)		(7,211)	
Interest received	469		403		623	
Interest paid	(292)		(20)		(163)	
Repayment of borrowings / finance leases	(200)		(74)		(132)	
Exchange rates	(2,544)		(579)		903	
		(2,394)		(2,546)		(2,933)
Capital expenditure						
Purchase of property plant and equipment	(4,453)		(7,649)		(12,564)	
Sale of property plant and equipment	91		74		1,007	
		(4,362)		(7,575)		(11,557)
Working capital						
Increase in inventory	(11,633)		(10,456)		(9,474)	
Increase in receivables	(5,409)		2,075		(2,220)	
Decrease in payables	7,910		1,183		(3,341)	
Decrease in provisions	(421)		494		(264)	
Increase in employee benefits	(1,021)		(3,224)		1,711	
		(10,574)		(9,928)		(13,588)
Taxation		(13,617)		(14,442)		(37,641)
Dividends		(23,082)		(19,718)		(33,924)
Acquisitions		(34,455)		130		(20,874)
Closing cash balance		<u>41,594</u>		<u>56,185</u>		<u>59,868</u>



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