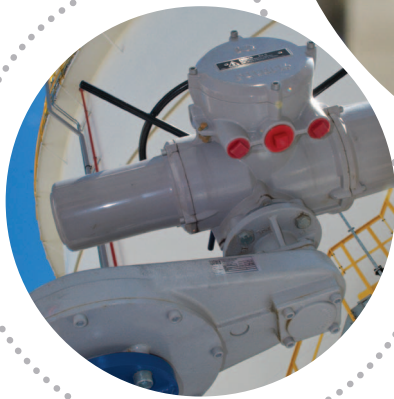




REDEFINING FLOW CONTROL

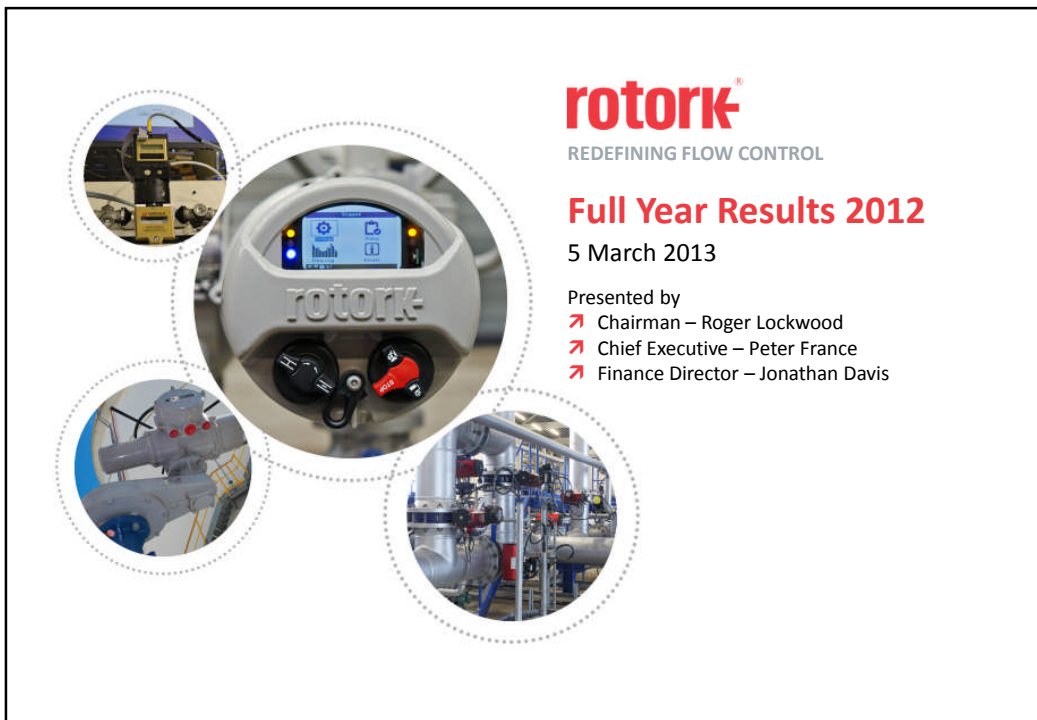


FULL YEAR RESULTS 2012

5 MARCH 2013

Presented by

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



rotork® highlights

- Record order intake, revenue and profit
- Product launches
- Investment in infrastructure
- Acquisition integration
- Soldo and Schischek acquisition



Financial Review

Finance Director – Jonathan Davis

rotorik[®] financial highlights

	2012	2011	%	OCC %	
Order intake	£539m	£462m	+16.8%	+14.4%	↑
Order book	£181m	£157m	+15.1%	+18.0%	↑
Revenue	£512m	£448m	+14.3%	+12.3%	↑
Adjusted operating profit*	£132m	£116m	+13.8%	+13.0%	↑
Adjusted EPS*	109.3p	96.2p	+13.6%	-	↑
Core DPS	43.0p	37.25p	+15.4%	-	↑

- Record order intake, order book & revenue
- Adjusted operating profit margin 25.8% (OCC 26.0%) compared with 25.9% in 2011
- Earnings per share benefits from lower tax rate

Note:
OCC are Organic constant currency figures which have all acquisitions removed and are restated at 2011 exchange rates
* Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.

Redefining Flow Control

4

rotorik[®] constant currency analysis

£m	2012 as Reported		Adjust to get CC	2012 at 2011 Rates	
Revenue	511.7		13.4	525.1	
Cost of Sales	(272.2)		(7.7)	(279.9)	
Gross Profit	239.5	46.8%	5.7	245.2	46.7%
Overheads	(107.6)	21.0%	(1.5)	(109.1)	20.8%
Adjusted operating profit*	131.9	25.8%	4.2	136.1	25.9%

- Euro 7% weaker than 2011 (1.23 vs. 1.15)
- USD average rate 1.59 both years
- H2 currency impact on revenue £9.4m

* Adjusted is before amortisation of acquired intangibles

Redefining Flow Control

5

rotorik[®] constant currency analysis

£m	2012 as Reported		Adjust to get CC	2012 at 2011 Rates		Remove Acqn.	2012 at OCC		2011	
Revenue	511.7		13.4	525.1		(22.1)	503.0		447.8	
Cost of Sales	(272.2)		(7.7)	(279.9)		11.5	(268.4)		(236.3)	
Gross Profit	239.5	46.8%	5.7	245.2	46.7%	(10.6)	234.6	46.6%	211.5	47.2%
Overheads	(107.6)	21.0%	(1.5)	(109.1)	20.8%	5.5	(103.6)	20.6%	(95.6)	21.3%
Adjusted operating profit*	131.9	25.8%	4.2	136.1	25.9%	(5.1)	131.0	26.0%	115.9	25.9%

- ↗ OCC gross margins 60 bps lower
- ↗ OCC overheads increased slower than revenue
- ↗ OCC net margin 10 bps higher

* Adjusted is before amortisation of acquired intangibles

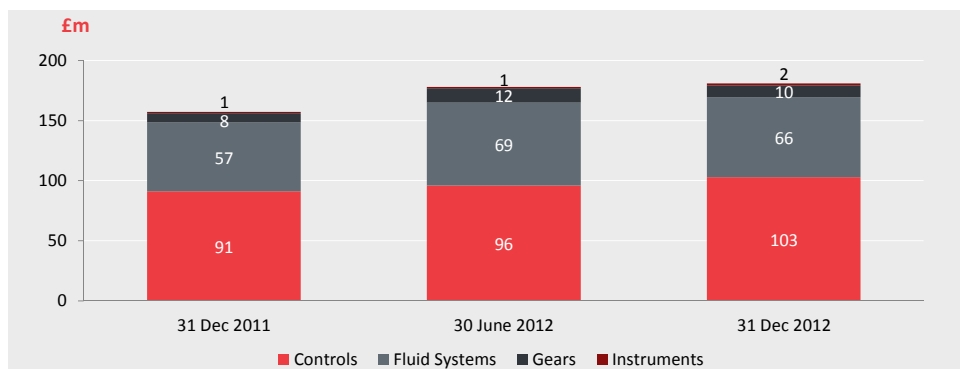
rotorik[®] impact of acquisitions

£m	Soldo	2011 Acquisitions	Total 2012 Adjustment
	Acquired November		
Revenue	0.7	21.4	22.1
Adjusted operating profit*	0.2	4.9	5.1
Adjusted operating margin*	31.9%	22.8%	23.1%

- ↗ Soldo pro forma full year 2012 results - £6m revenue, £2m profit
- ↗ Intangible amortisation £7.4m (2011: £3.9m)
- ↗ Schischek pro forma full year 2012 results - £14m revenue, £4.5m profit

* Adjusted is before amortisation of acquired intangibles

rotork® order book



- Order book £181m, 15.1% higher than December 2011
- OCC order book increase 18.0% than December 2011 (£5.4m currency)


rotork® controls division



£m	2012	2011	Change	OCC Change	
Revenue	293.3	278.0	+5.5%	+6.8%	↑
Adjusted operating profit*	94.8	92.1	+2.9%	+5.0%	↑
Adjusted operating margin*	32.3%	33.1%	-80bps	-50bps	↓

- Order intake +8.7%, (OCC +9.3%)
- Lower gross margins
- Controls revenue 57% of the Group, down from 62%

Note:
 OCC are Organic constant currency figures which have all acquisitions removed and are restated at 2011 exchange rates
 * Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.


rotorik fluid systems division 

£m	2012	2011	Change	OCC Change	
Revenue	160.9	132.6	+21.4%	+22.6%	↑
Adjusted operating profit*	24.6	17.1	+44.2%	+51.3%	↑
Adjusted operating margin*	15.3%	12.9%	+240bps	+300bps	↑

- ↗ Order intake +22.4% (OCC +22.9%)
- ↗ Fastest growing division
- ↗ Adjusted operating margin 15.3% (OCC 15.9%)

Note:
OCC are Organic constant currency figures which have all acquisitions removed and are restated at 2011 exchange rates
* Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.

Redefining Flow Control 10

rotorik gears division 

£m	2012	2011	Change	OCC Change	
Revenue	52.9	46.6	+13.5%	+13.6%	↑
Adjusted operating profit*	12.1	10.3	+17.0%	+21.4%	↑
Adjusted operating margin*	22.9%	22.2%	+70bps	+150bps	↑

- ↗ Order intake +18.9% (OCC +18.7%)
- ↗ Overheads flat year on year
- ↗ Organic constant currency margin 23.7%

Note:
OCC are Organic constant currency figures which have all acquisitions removed and are restated at 2011 exchange rates
* Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.

Redefining Flow Control 11

rotork[®] instruments division



£m	2012	2011
Revenue	16.4	1.4
Adjusted operating profit*	5.1	0.4
Adjusted operating margin*	31.1%	27.4%

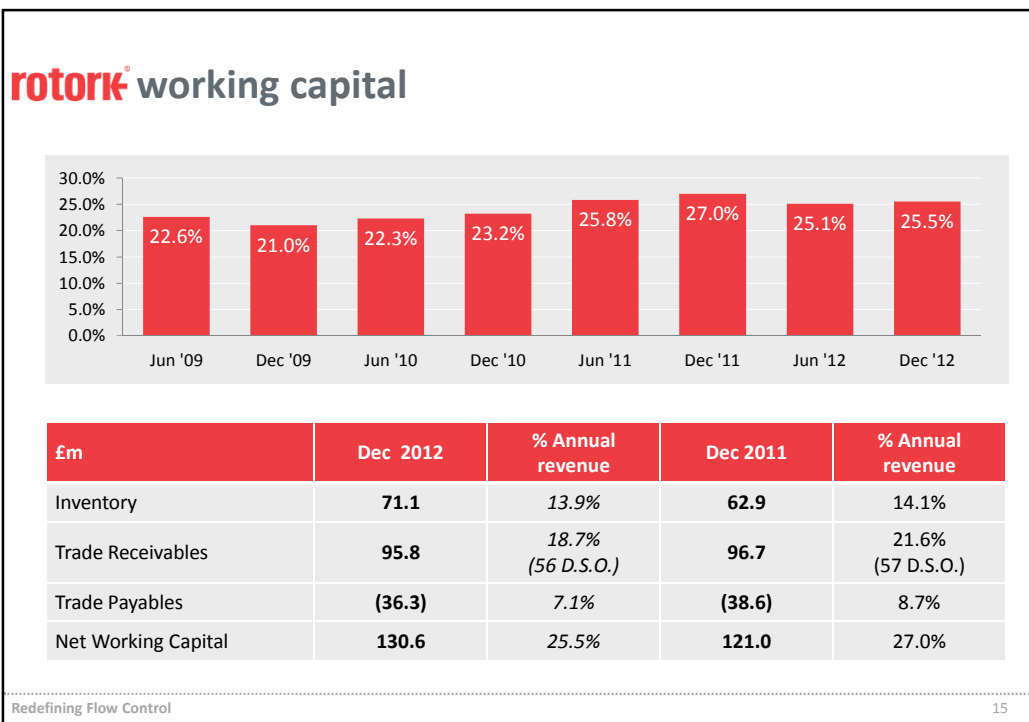
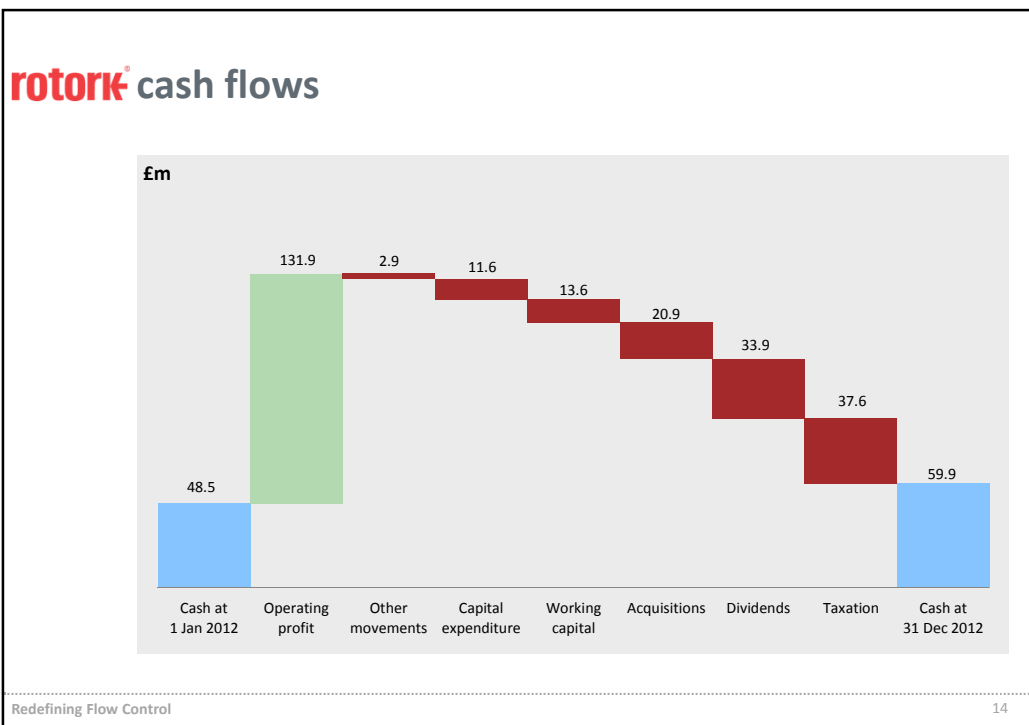
- ↗ 7 week contribution from Soldo
- ↗ Fairchild growth slower in H2
- ↗ Costs managed to retain high margins

Note:
 OCC are Organic constant currency figures which have all acquisitions removed and are restated at 2011 exchange rates
 * Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.

rotork[®] earnings per share

	2012	2011	Change
PBT as reported (£m)	124.2	112.6	+10.3%
Adjusted PBT* (£m)	131.6	116.5	+13.0%
Effective tax rate	28.1%	28.6%	
Basic EPS as reported	103.1p	93.0p	+11.0%
Adjusted basic EPS*	109.3p	96.2p	+13.6%

* Adjusted is before amortisation of acquired intangibles



rotork® dividends

Core Dividend	Month paid/payable	Amount (Pence)	Cost (£m)
2010 Final	May 2011	19.75p	17.1
2011 Interim	September 2011	14.50p	12.5
Paid in 2011		34.25p	29.6
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

➤ Core dividend from the year increased by 15.4%

➤ Core dividend cover 2.5 times



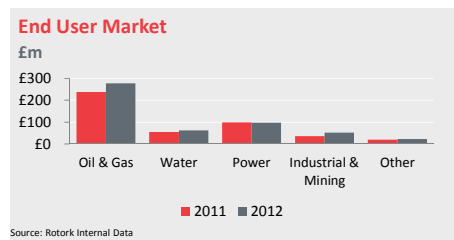
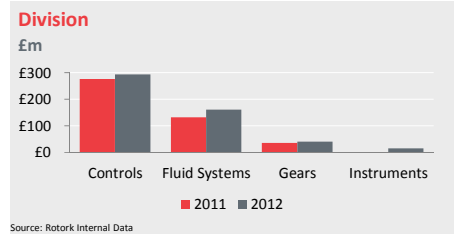
Operating review

Chief Executive – Peter France

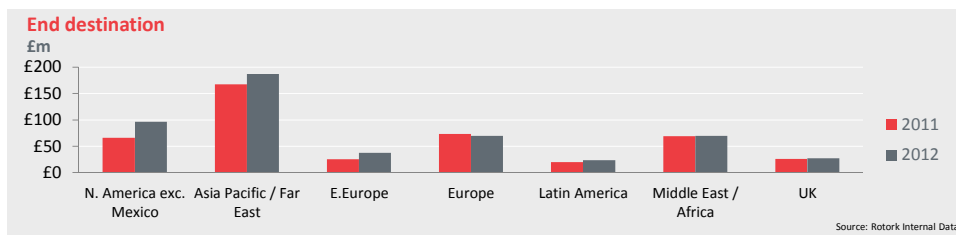
rotork® group revenue by:

- Growth in all divisions
- Rotork Instruments positive contribution
- Oil & Gas showed strongest growth
- Oil & Gas

	<u>2011</u>	<u>2012</u>
Upstream	7%	8%
Midstream	18%	18%
Downstream	28%	28%
Contribution to Revenue	53%	54%
- Power market impacted by China & India
- Industrial increase due to Rotork Instruments and mining



rotork® group revenue by:



- Strong growth rates from North America, Asia Pacific / Far East & Eastern Europe
- End destination still dominated by Asia Pacific/Far East
- 34% business from BRIC
- 40% business from emerging markets

rotork® controls



Highlights

- IQ3 & CMA product launches
- New factory in Chennai, India
- New offices/expansions
- Integration of Norway & Centork
- Coal Seam Gas market

Opportunities

- Expansion of footprint
- Integration of Schischek
- New product introductions



rotork® fluid systems



Highlights

- Target operating margin achieved
- Integration and development of acquisitions
- Second generation Gas-over-Oil product range introduced
- Office expansions

Opportunities

- New *Centres of Excellence*
- Product releases
- Current and new markets



rotork® gears

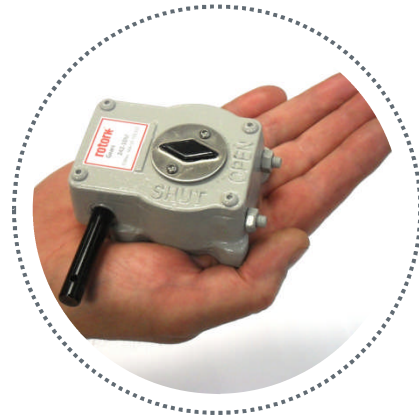


Highlights

- Product launches
- China and USA growth
- Houston factory expansion
- Subsea
- Supply chain

Opportunities

- Relocation of Leeds factory
- New product ranges
- Rotork Valvekits



rotork® instruments

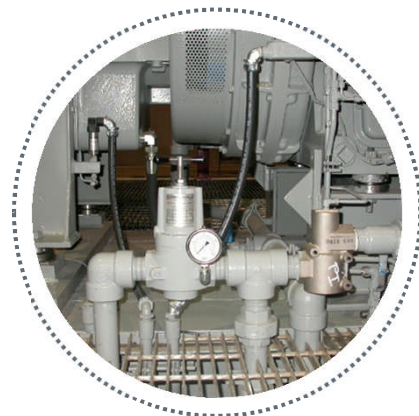


Highlights

- Fairchild integration
- Soldo acquisition
- Product launches
- Instruments management team

Opportunities

- International expansion
- Acquisitions



rotork® site services



Highlights

- ↗ 8% more qualified service engineers
- ↗ 6% more PM contracts
- ↗ 20% more service calls
- ↗ 7% more retrofits

Opportunities

- ↗ Redevelopment of service offerings
- ↗ Development of service centres
- ↗ Expansion of service capabilities



rotork® acquisitions

	Soldo	Schischek
Enhance Position in an End User Market	✓	✓
Enhance or Extend Product Offering	✓	✓
Enhance Position in a Geographic Market		✓

rotork soldo



- Designs and manufactures control accessories for valve automation
- Established in 1996
- 29 employees
- Part of Rotork Instruments



rotork schischek



- Design, manufacture and sale of explosion-proof electric actuators
- Established in 1975
- HVAC market place
- Part of Controls division
- 100 employees
- Exposure to attractive new end market



rotork the group



- 22 manufacturing centres
- 146 offices
- 33 countries with direct presence, 94 in total
- Over 2,800 employees worldwide
- 710 sales channels

rotork research & development

- Spend up 27% to £7.4m
- Increase of engineering resources
- Next generation IQ3
- CMA launch
- RFS investments
- 2013 product launches

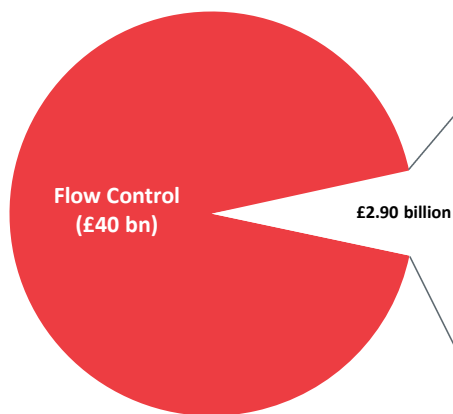


rotork® coal seam gas

- Over 5,000 units ordered
- Projects –
 - BG / QCLNG
 - Santos / GLNG
 - Origin / APLNG
- 27 million tonnes of LNG p.a.
- CVA, IQ, SI, EH, CP, GP and GO
- Total project value over £26 million








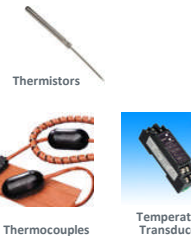
rotork® opportunities for growth: new markets



Addressable Market 2012 - £2.90 billion		
Product Group	Market Size	Rotork Share
Instruments	£0.18 bn	12%
Gears	£0.18 bn	23%
Fluid Systems	£0.85 bn	19%
Controls	£1.70 bn	18%

Source: Rotork Internal Data, BPPA, NFPA

rotork strategy for growth

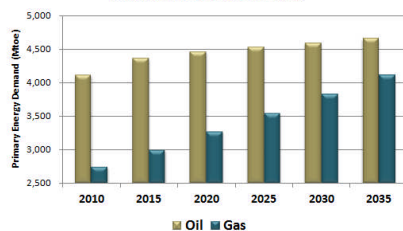
	Pressure	Flow	Temperature
Control	 <p>Boosters Pressure Transducers Pressure Regulators</p>	 <p>Directional Control Valves Solenoid Valves Switch Boxes Pilot Valves</p>	 <p>Temperature Controllers Thermostats Fusible Plugs</p>
Measurement	 <p>Pressure Gauges P/I Transducers Pressure Sensors Differential Pressure Transmitters</p>	 <p>Kinetic Flow Meters Flow Meters Flow Controllers Level Gauges</p>	 <p>Thermistors Thermocouples Temperature Transducers</p>

rotork market drivers

Oil & gas

- Growth in global energy demand
- Deep water exploration & production
- Unconventional oil & gas
- Global LNG trade
- Strategic storage and reserves
- Geographic reallocation of refining capacity

World Oil & Gas Demand

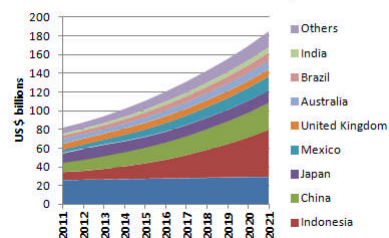


Source: IEA world Energy Outlook 2012

Water & sewage

- Population growth
- Water scarcity and urbanisation
- Industrialisation: water re-use and desalination
- Ageing assets in developed economies

Water Infrastructure Industry Value

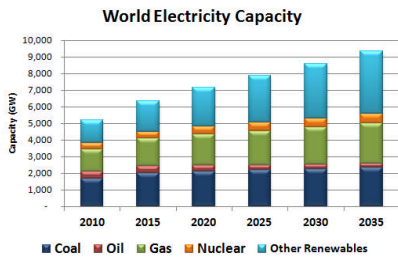


Source: Business Monitor International

rotork® market drivers

Power

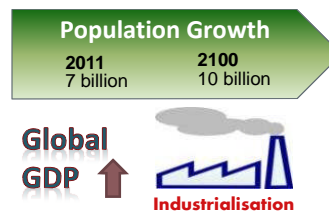
- Urbanisation & population growth
- Industrialisation in developing countries
- Need for emissions reductions and increased efficiency
- Long term energy security – investment in renewables



Source: IEA world Energy Outlook 2012

Industrial, Mining & Other

- Demand for metals, minerals and processed goods from developing countries
- Increased demand for vehicles from both commercial and consumer sectors
- Improved standards of living: demand for HVAC, processed food & drink

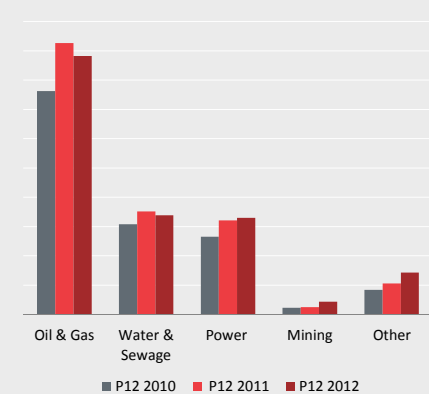


Source: United Nations

rotork® project activity

Project Activity: Industry Type

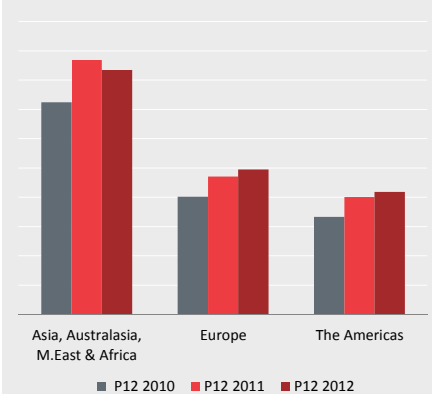
No of Projects



Source: Rotork Internal Data

Project Activity: End Destination

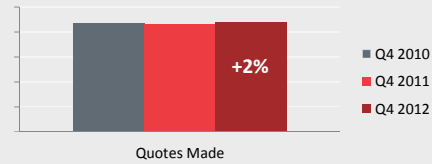
No of Projects



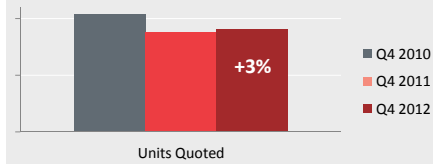
Source: Rotork Internal Data

rotork[®] quote activity

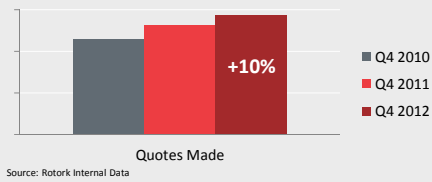
Controls – Quotes Made



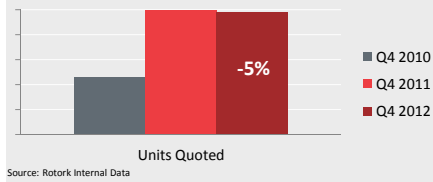
Controls – Units Quoted



Fluid Systems – Quotes Made



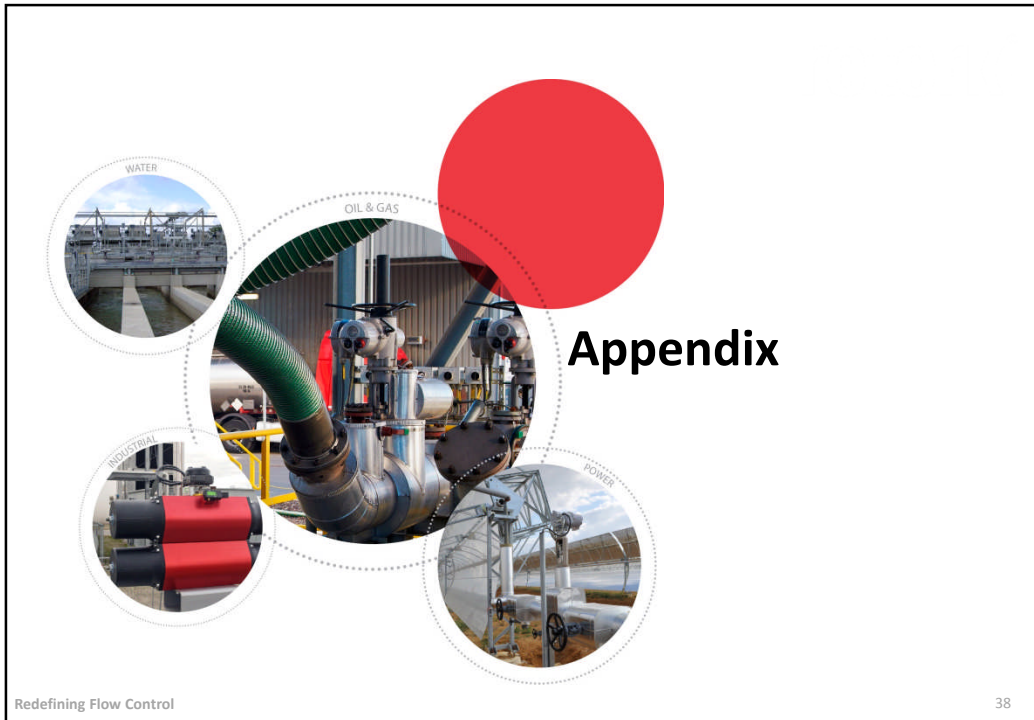
Fluid Systems – Units Quoted



rotork[®] summary and outlook

- Continued investment
- Acquisitions
- Growth markets
- Confident of further progress





rotork outlook statement

The strong results across the Group reflect the progress we have made in executing our strategy, with each division achieving record results in terms of order intake, revenue and profit.

Our expanded product portfolio and extensive international reach position us for further growth. We will continue to invest in infrastructure, product development and sales channels both organically and by acquisition to strengthen our presence in the wider flow control market.

The markets that we serve remain active and whilst we recognise that we are likely to see weakness within some regions due to economic conditions, the Board remains confident of achieving further progress within the coming year.

rotork[®] appendix: adjusted operating margins

	H1 '12	H2 '12	FY '12	FY '12 OCC	FY '11
Controls	31.9%	32.7%	32.3%	32.6%	33.1%
RFS	12.9%	17.2%	15.3%	15.9%	12.9%
Gears	22.0%	23.5%	22.9%	23.7%	22.2%
Instruments	32.6%	29.6%	31.1%	22.3%	27.4%
Group	25.1%	26.4%	25.8%	26.0%	25.9%

- H2 margins 130 bps higher than H1
- RFS achieved over 15% in H2 and FY
- OCC margins 10 bps higher than prior year

* Adjusted is before amortisation of acquired intangibles

rotork[®] appendix: adjusted operating profit by segment

£m	2012 Reported	2012 Adjustment	2012 Adjusted	2011 Reported	2011 Adjustment	2011 Adjusted	Increase
Controls	94.04	0.73	94.77	91.20	0.89	92.09	+2.9%
Fluid Systems	22.38	2.25	24.63	14.80	2.28	17.08	+44.2%
Gears	11.87	0.22	12.09	10.32	0.02	10.34	+17.0%
Instruments	0.90	4.20	5.10	(0.34)	0.73	0.39	-
Unallocated	(4.72)	-	(4.72)	(3.98)	-	(3.98)	-
Total	124.47	7.40	131.87	112.00	3.92	115.92	+13.8%

Notes:
Adjustments relate to amortisation of acquired intangible assets.

rotork appendix: average exchange rates

Average rates trading:	US\$	Euro
H1 2011	1.62	1.13
H2 2011	1.58	1.16
Full Year 2011	1.59	1.15
H1 2012	1.58	1.22
H2 2012	1.60	1.24
Full Year 2012	1.59	1.23
+ = GBP strengthening / - = GBP weakening	Flat	+6.9%

rotork appendix: period end exchange rates

Period end rates:	US\$	Euro
June 2011	1.61	1.11
December 2011	1.55	1.20
June 2012	1.57	1.24
December 2012	1.62	1.23
+ = GBP strengthening / - = GBP weakening	+4.5%	+2.7%

rotork appendix: cash flow statement

£000	2012	2012	2011	2011
Opening cash balance		48,519		97,881
Adjusted operating profit		131,866		115,921
Other movements				
Amortisation of development costs	924		732	
Development costs capitalised	(2,075)		(1,328)	
Depreciation	5,452		4,479	
Equity settled share based payments	2,030		1,251	
Own shares acquired	(2,850)		(3,185)	
Issue of ordinary shares	425		450	
Purchase of preference shares	0		0	
Profit on sale of assets	(859)		(129)	
Difference between pension charge and cash contributions	(7,211)		(2,929)	
Interest received	623		694	
Interest paid	(163)		(117)	
Repayment of borrowings / finance leases	(132)		(475)	
Exchange rates	903		748	
		(2,933)		191
Capital expenditure				
Purchase of property plant and equipment	(12,564)		(10,143)	
Sale of property plant and equipment	1,007		274	
		(11,557)		(9,869)
Working capital				
Increase in inventory	(9,474)		(11,402)	
Increase in receivables	(2,220)		(26,791)	
Decrease in payables	(3,341)		18,537	
Decrease in provisions	(264)		(436)	
Increase in employee benefits	1,711		1,692	
		(13,588)		(18,400)
Taxation		(37,641)		(27,754)
Dividends		(33,924)		(49,534)
Acquisitions		(20,874)		(59,917)
Closing cash balance		59,868		48,519

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rotork appendix: revenue analysis

By Division (%)	Controls	Fluid Systems	Gears	Instruments	Total
2012	56.0	30.7	10.1	3.2	100.0
2011	60.6	28.9	10.2	0.3	100.0

By End user market (%)	Oil & Gas	Power	Water	Industrial	Other	Total
2012	53.7	19.1	12.2	10.4	4.6	100.0
2011	54.2	19.0	12.1	10.2	4.5	100.0

By End destination(%)	Asia Pac / Far East	Europe	Middle East / Africa	N America excl Mexico	UK	Eastern Europe	Latin America	Total
2012	36.6	13.6	13.7	18.8	5.4	7.3	4.6	100.0
2011	37.6	16.4	15.5	14.6	5.8	5.6	4.5	100.0

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rotork® key objectives

Objective	Description
Sales Growth	Grow market by increasing our international coverage, broaden our end market exposure and continue to integrate our new acquisitions.
Staff development	Invest to support growth strategy.
New Products	Introduce and develop new products in each of the divisions.
Acquisitions	Execute acquisition plan of identified opportunities.
Manufacturing and Facilities	Continue to develop world class manufacturing facilities.
Supply Chain Management	Further develop and leverage global supply chain.
Corporate and Social Responsibility	Continued safety improvement and deliver the CSR strategy.
IT	Continue to roll out the global management system solution for the sales and service offices.
RSS	Continue progress with RSS offering and further develop our Site Services capability.
Sales Growth	Grow market by increasing our international coverage, broaden our end market exposure and continue to integrate our new acquisitions.

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