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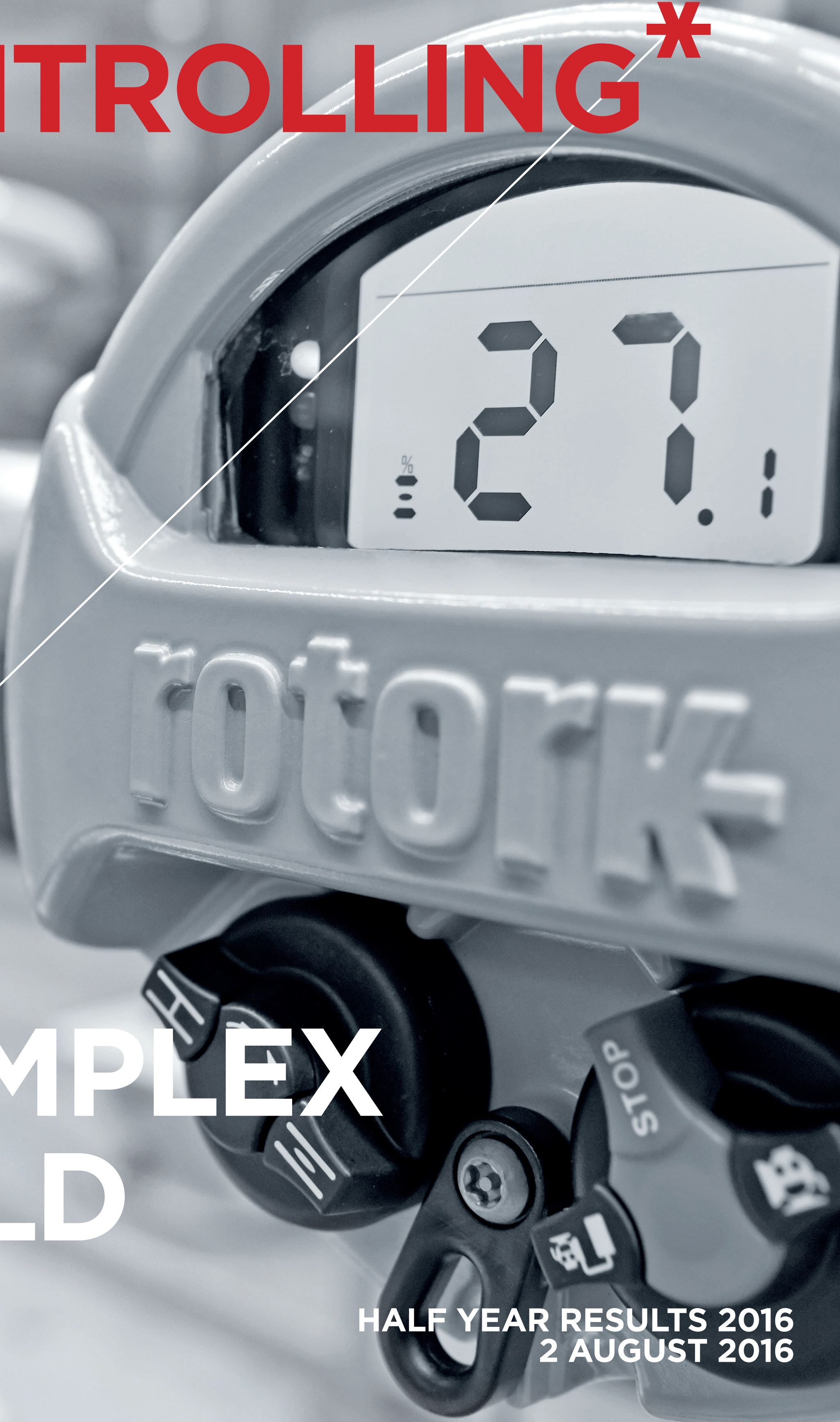
CONTROLLING*



*A COMPLEX WORLD

HALF YEAR RESULTS 2016
2 AUGUST 2016

CHAIRMAN – MARTIN LAMB
CHIEF EXECUTIVE – PETER FRANCE
FINANCE DIRECTOR – JONATHAN DAVIS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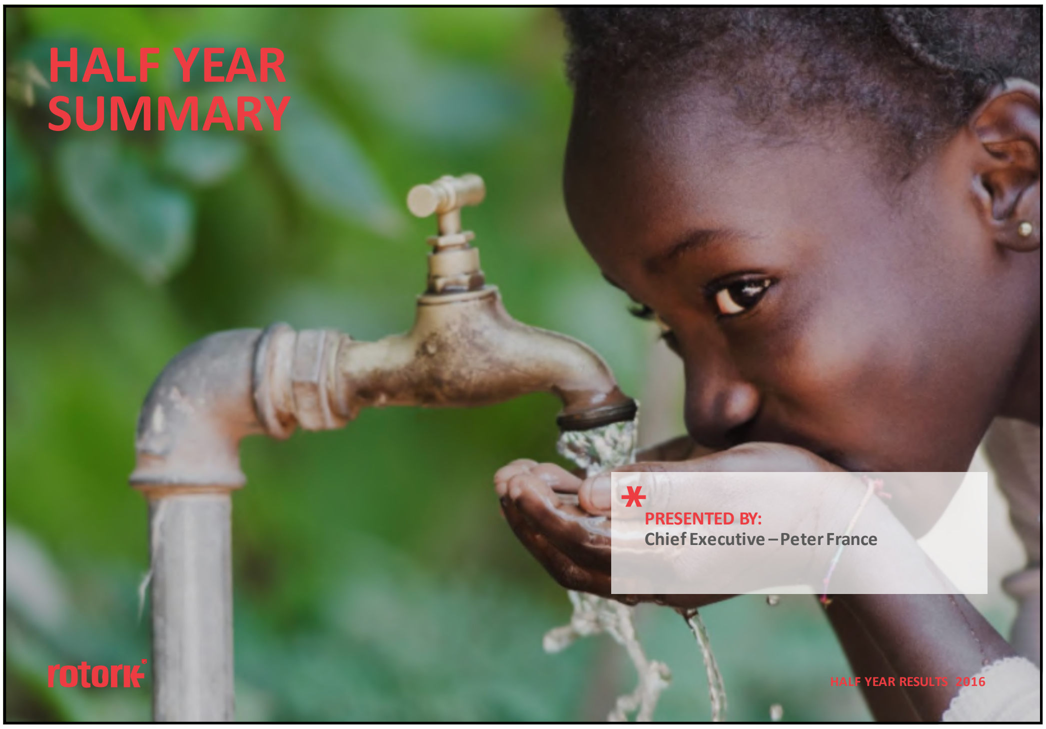
CONTROLLING*
A COMPLEX WORLD
INTRODUCTION – MARTIN LAMB, CHAIRMAN
HALF YEAR SUMMARY – PETER FRANCE, CHIEF EXECUTIVE
FINANCIAL & DIVISIONAL REVIEW – JONATHAN DAVIS, FINANCE DIRECTOR
OPERATING REVIEW – PETER FRANCE, CHIEF EXECUTIVE
Q & A
1



HALF YEAR SUMMARY

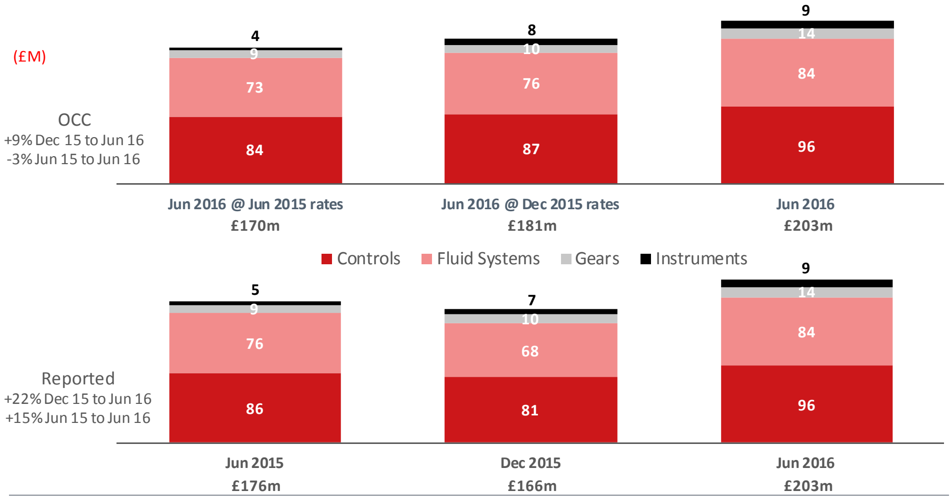
- Order intake +2.0%
- Order book of £203m
  - +22.2% from Dec 2015
- Revenue 3.7% lower
- Margins impacted
- Cost management programme on track
- Acquisition of Mastergear
- Good cash generation
  - 131.5% cash conversion
- Strong balance sheet
- Interim dividend maintained at 1.95p

FINANCIAL REVIEW

	H1 2016	H1 2015	%	OCC[1] %
ORDER INTAKE	£279.4m	£274.0m	+2.0%	-10.2%
ORDER BOOK	£203.1m	£175.9m	+15.4%	-3.1%
REVENUE	£263.9m	£274.2m	-3.7%	-15.3%
ADJUSTED[2] OPERATING PROFIT	£50.7m	£65.0m	-22.0%	-32.5%
ADJUSTED[2] EPS	4.25p	5.44p	-21.9%	-32.5%
INTERIM DIVIDEND	1.95p	1.95p	--	--

[1]OCC are organic constant currency figures which have all acquisitions removed and are restated at 2015 exchange rates.
[2]Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.

ORDER BOOK GROWTH



CURRENCY & ACQUISITIONS

(£M)	2016 AT OCC[1]	ACQN.	2016 AT 2015 RATES	FX TO GET CC	2016 AS REPORTED	2015
Order intake	245.9	22.7	268.6	10.8	279.4	274.0
	-10.2%	+8.3%		+3.9%	+2.0%	
Revenue	232.2	21.7	253.9	10.0	263.9	274.2
	-15.3%	+7.9%		+3.7%	-3.7%	
Adjusted[2] operating profit	43.9	4.0	47.9	2.8	50.7	65.0
	-32.5%	+6.1%		+4.4%	-22.0%	
Adjusted[2] operating margin	18.9%		18.9%		19.2%	23.7%
	-480bps	-	-480bps	+30bps	-450bps	

- ~7% full year currency impact (to revenue and adjusted operating profit) if 30 June exchange rates apply to the whole of H2

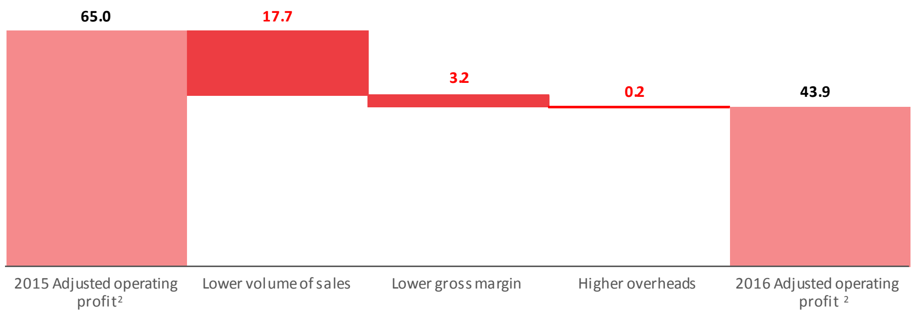
[1]OCC are organic constant currency figures which have all acquisitions removed and are restated at 2015 exchange rates.
[2]Adjusted operating profit & margin are stated before the amortisation of acquired intangible assets.

COST MANAGEMENT PROGRAMME

(£M)	TARGET	ACHIEVED 2015	H1 2016 IMPACT	H2 2016 IMPACT	FY 2016 IMPACT	BALANCE 2017
2015 Initiatives						
Material costs	5.6	2.8	**2.1**	**0.7**	**2.8**	-
Overheads	4.7	2.6	**1.3**	**0.8**	**2.1**	-
Total	10.3	5.4	**3.4**	**1.5**	**4.9**	-
2016 Initiatives						
Material costs	5.0	-	**0.8**	**2.5**	**3.3**	1.7
Overheads	2.0	-	**0.0**	**0.5**	**0.5**	1.5
Total	7.0	-	**0.8**	**3.0**	**3.8**	3.2

OCC[1] ADJUSTED OPERATING PROFIT BRIDGE

(£M)



- First half discretionary pay levels similar to prior year but second half expected to be higher than 2015

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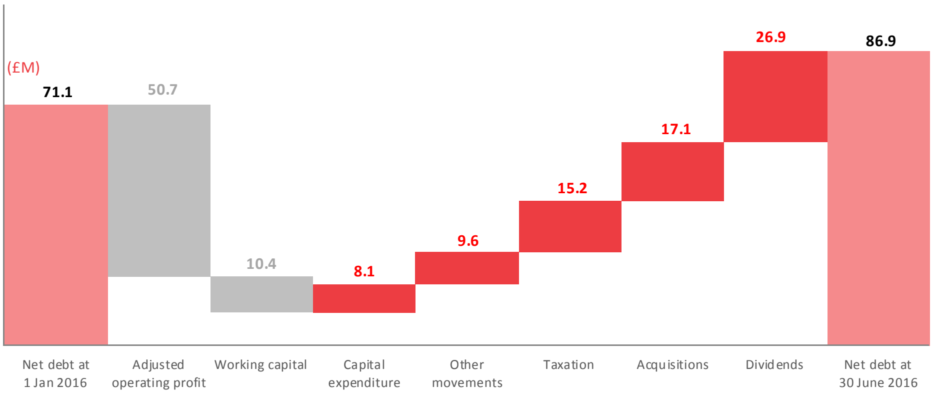
CASH FLOWS



- Strong cash generation, with favourable currency movements
- 131.5% cash conversion

BALANCE SHEET

(£M)	June 2015	December 2015	June 2016
Total assets	553.5	701.3	**766.8**
Total liabilities	(170.3)	(293.5)	**(348.3)**
Equity	383.2	407.8	**418.5**
Net working capital	152.3	169.3	**177.1**
Pension deficit	26.1	23.3	**41.2**
Net cash/(debt)	37.2	(71.1)	**(86.9)**
Net cash/(debt) / EBITDA	26%	(52%)	**(76%)**
ROCE	35%	29%	**20%**

- Net working capital on an OCC basis £155.9m, £13.4m lower than December
- ROCE reduced by full impact of 2015 acquisitions on the balance sheet and lower H1 profit weighting

CONTROLS

(£M)	H1 2016	H1 2015	CHANGE	OCC[1] CHANGE
Order intake	**138.8**	143.3	-3.2%	-7.7%
Revenue	**132.5**	146.0	-9.2%	-13.3%
Gross margin	**52.0%**	53.0%	-100bps	-10bps
Adjusted[2] operating profit	**36.2**	45.2	-19.7%	-23.3%
Adjusted[2] operating margin	**27.4%**	30.9%	-350bps	-350bps

- Europe and Middle East strongest regions
- Americas and Far East lower revenue in most end markets
- Improved activity levels in China compared with comparative period
- USA water market positive

[1]OCC are organic constant currency figures which have all acquisitions removed and are restated at 2015 exchange rates.
[2]Adjusted operating profit is stated before the amortisation of acquired intangible assets.

FLUID SYSTEMS

(£M)	H1 2016	H1 2015	CHANGE	OCC[1] CHANGE
Order intake	**70.1**	80.5	-13.0%	-17.3%
Revenue	**61.8**	76.9	-19.6%	-23.2%
Gross margin	**27.5%**	31.7%	-420bps	-400bps
Adjusted[2] operating profit	**0.8**	7.8	-89.5%	-94.3%
Adjusted[2] operating margin	**1.3%**	10.1%	-880bps	-940bps

- Oil & Gas 65% of revenue
- LNG positive this time last year and also in the current period
- Latin America and Far East weakest regions
- Middle East/Africa grew supported by Oil & Gas

[1]OCC are organic constant currency figures which have all acquisitions removed and are restated at 2015 exchange rates.
[2]Adjusted operating profit is stated before the amortisation of acquired intangible assets.

GEARS

(£M)	H1 2016	H1 2015	CHANGE	OCC[1] CHANGE
Order intake	**33.0**	28.4	+16.0%	-0.9%
Revenue	**32.6**	29.8	+9.5%	-4.7%
Gross margin	**35.1%**	35.5%	-40bps	-180bps
Adjusted[2] operating profit	**6.5**	6.1	+6.8%	-17.6%
Adjusted[2] operating margin	**20.0%**	20.5%	-50bps	-280bps

- Mastergear completed in June for $25m
- Water was the strongest end market, up 18%
- Oil & Gas grew in the Middle East but not elsewhere

[1]OCC are organic constant currency figures which have all acquisitions removed and are restated at 2015 exchange rates.
[2]Adjusted operating profit is stated before the amortisation of acquired intangible assets.

INSTRUMENTS

(£M)	H1 2016	H1 2015	CHANGE	OCC[1] CHANGE
Order intake	**45.5**	29.2	+55.8%	-8.3%
Revenue	**45.0**	28.8	+56.3%	-9.1%
Gross margin	**44.2%**	50.1%	-590bps	-130bps
Adjusted[2] operating profit	**10.3**	9.0	+13.6%	-23.8%
Adjusted[2] operating margin	**22.8%**	31.4%	-860bps	-510bps

- Oil & Gas was 52% of revenue (Dec 2015: 44%)
- Industrial sales impacted by slow Chinese tyre market
- Water, whilst the smallest end market, was the fastest growing
- Rail lower than comparative period

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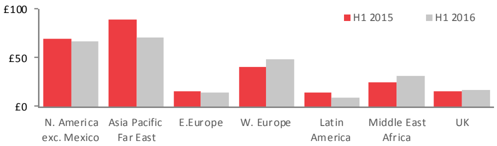
GROUP REVENUE

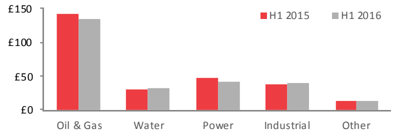
- Oil & Gas market remained weak, but some project activity
- Steady growth in Water and Industrial Processes
- Power down but improving
- Western Europe, Middle East, UK and Africa steady growth
- North America and Asia Pacific lower against strong comparator
- Latin America and America down

OIL & GAS	H1 2015	H1 2016
Upstream	14%	16%
Midstream	13%	12%
Downstream	25%	23%
Contribution to Revenue	**52%**	**51%**

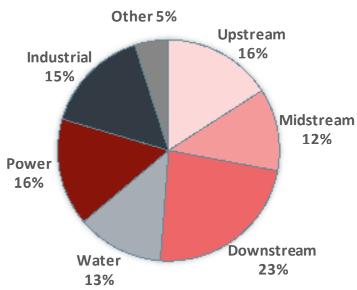
Geographic Destination



End Market Destination



MARKET OPPORTUNITIES

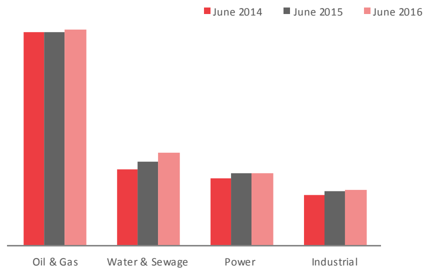


H1 2016 Revenue Split

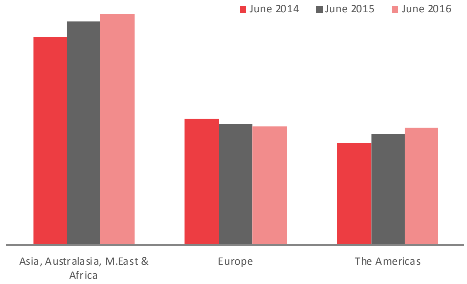
- **Upstream** – Oil capex down but new products and acquisitions provide opportunity
- **Midstream** – Gas pipelines still expected to be positive, oil slow
- **Downstream** – Driven by LNG and low raw material costs. Geographical mismatch on capacity versus demand
- **Water** – 5% market growth forecast until 2020. Focus on China, USA and Japan
- **Power** – Renewables growing fast, investment in "clean" Coal, Gas and Nuclear
- **HVAC** – Continuing to see good growth levels
- **Shipping** – Growth rates depend on type of ship
- **Industrial** – General increase in automation and process control

PROJECT ACTIVITY

PROJECT ACTIVITY: END MARKET
No. of projects



PROJECT ACTIVITY: END DESTINATION
No. of projects



- Higher proportion of medium / small projects

FOCUS ON INNOVATION AND INTEGRATION

- Integrating recent acquisitions
  - Leverage sales channels
  - Introduce new technologies across the Group
  - Build brand awareness for new products acquired
- Value engineering to target competitive market niches
- Product innovation
- Rotork Site Services
- Focus on strengthening customer relationships and the customer experience

FOCUS ON INNOVATION

Lower cost of ownership

Price

Low oil price driving down cost

1. Lower energy
2. Lower cost of ownership
3. More products and services
4. Data analysis

Environmental issues driving energy reduction focus e.g. zero or low energy

Competition

Environmental Impact

Lower energy

CONTROLS

MARKET TRENDS

- Increased activity levels
- Steady flow of smaller orders
- Water active
- China and Middle East positive
- Increased process control

OPPORTUNITIES

- Centork in Water
- HVAC
- Process industries
- Introduction of new technology

FLUID SYSTEMS

MARKET TRENDS
- Oil & Gas continues to be challenging
- Increasing reliability requirement
- Growth in non oil & gas markets
- Middle East and North America active

OPPORTUNITIES
- New generation SI3 building strong order book
- K-TORK successfully cross-selling into Water, Industrial Processes and Vehicle applications
- Collaboration with other Divisions
- Expanded product range

GEARS

MARKET TRENDS
- Manual valve market continues to grow
- Customers looking for global brand
- Water and Industrial Processes growing
- Growth in Americas and Middle East

OPPORTUNITIES
- Diverse customers
- Rotork sales and services channels
- Roto Hammer and Mastergear acquisitions
- Operational efficiencies

INSTRUMENTS

MARKET TRENDS
- Increasing automation
- Lower energy
- Environmental impact

OPPORTUNITIES
- Cross-divisional collaboration
- Rotork sales channel
- Comprehensive portfolio
- Bifold

SITE SERVICES

MARKET TRENDS
- More efficient asset management
  - Avoid unplanned plant shutdowns
- Extending plant life

OPPORTUNITIES
- Client Support Programme
- Factory fit and retrofit

SUMMARY
AND OUTLOOK

- Trading environment remained challenging
- Cost management programme on track to deliver targeted savings from both 2015 and 2016 initiatives.
- Drive business improvements
- Targeted investment
- More pronounced H2 revenue weighting
- Full year margin lower than 2015
- Rotork well placed for the current year and beyond

THANK YOU

* QUESTIONS

OUTLOOK STATEMENT

The trading environment in the first half of the year remained challenging, with the low oil price continuing to delay project activity and geopolitical tensions affecting certain key markets. The cost management programme previously announced is progressing as planned. We expect to benefit further from these cost initiatives in the second half and into 2017, and continue to examine opportunities to drive improvements throughout the business. In line with our strategy, we continue to invest in new and existing markets by opening new sales channels and developing new products.

We now expect our second half weighting to be more pronounced than previously indicated, in part due to recent currency movements, with the second half margins ahead of those in the first half. However, we anticipate that margins for the full year will be lower than in 2015 due to a combination of increased overheads, product mix and pricing pressure.

We anticipate that activity in the oil and gas markets will remain subdued, and the timing of order placement will be difficult to forecast. However, based on our current order book, project visibility and market-focused opportunities, the Board believes that the Group remains well placed for the current year and beyond.

REVENUE ANALYSIS

BY DIVISION (%)	CONTROLS	FLUID SYSTEMS	GEARS	INSTRUMENTS	TOTAL
H1 2016	48.7	22.7	12.1	16.5	100.0
FY 2015	52.5	27.3	8.4	11.8	100.0

BY END USER MARKET (%)	OIL & GAS	POWER	WATER	INDUSTRIAL	OTHER	TOTAL
H1 2016	51.2	15.7	12.7	15.5	4.9	100.0
FY 2015	53.3	16.4	11.6	13.7	5.0	100.0

BY END DESTINATION (%)	ASIA PACIFIC FAR EAST	EUROPE	MIDDLE EAST AFRICA	N. AMERICA EXC. MEXICO	UK	LATIN AMERICA
H1 2016	27.0	24.5	12.3	25.6	6.8	3.8
FY 2015	30.8	21.4	10.2	25.9	6.4	5.3

ADJUSTED[1] OPERATING MARGINS

	H1 2016	H1 2016 OCC[2]	H1 2015	FY 2015
Controls	27.4%	27.4%	30.9%	29.8%
Fluid Systems	1.3%	0.7%	10.1%	10.2%
Gears	20.0%	17.7%	20.5%	20.5%
Instruments	22.8%	26.3%	31.4%	27.2%
Group	**19.2%**	**18.9%**	**23.7%**	**22.9%**

[1]OCC are organic constant currency figures which have all acquisitions removed and are restated at 2015 exchange rates.
[2]Adjusted operating profit is stated before the amortisation of acquired intangible assets.

IMPACT OF ACQUISITIONS

(£M)	MASTERGEAR	2015 ACQUISITIONS	TOTAL ADJUSTMENT
Revenue	0.9	20.8	21.7
Adjusted[1] operating profit	-	4.0	4.0
Adjusted[1] operating margin	-	19.2%	18.4%

- Mastergear revenue 1 month's contribution only (closed June 2016)
- 2015 acquisitions include Bifold, Roto Hammer, M&M, SMS, Eltav, and Turkish sales office

[1]Adjusted operating profit & margin are stated before the amortisation of acquired intangible assets.

CONSTANT CURRENCY ANALYSIS

(£M)	H1 2016 AS REPORTED		ADJUST TO GET CC	2016 AT 2015 RATES		REMOVE ACQUISITIONS	H1 2016 AT OCC[1]		H1 2015	
Revenue	263.9		(10.0)	253.9		(21.7)	232.2		274.2	
Cost of sales	(146.6)		6.6	(140.0)		13.6	(126.5)		(147.5)	
Gross profit	117.3	44.4%	(3.4)	113.9	44.8%	(8.1)	105.7	45.5%	126.7	46.2%
Overheads	(66.6)	25.2%	0.6	(66.0)	26.0%	4.1	(61.8)	26.6%	(61.7)	22.5%
Adjusted[1] operating profit	50.7	19.2%	(2.8)	47.9	18.9%	(4.0)	43.9	18.9%	65.0	23.7%

- OCC[1] gross margins 70bps lower
- OCC[1] overheads increased ahead of revenue, up 410bps
- OCC[1] net margin 480bps lower

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[2]Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.

ADJUSTED OPERATING PROFIT BY SEGMENT

(£M)	H1 2016 REPORTED	H1 2016 ADJUSTMENTS[1]	H1 2016 ADJUSTED[1]	H1 2015 REPORTED	H1 2015 ADJUSTMENTS[1]	H1 2015 ADJUSTED[1]	CHANGE IN ADJUSTED[1]
Controls	34.4	1.9	36.3	43.5	1.7	45.2	-19.9%
Fluid Systems	0.1	0.7	0.8	6.8	1.0	7.8	-88.5%
Gears	6.0	0.5	6.5	5.9	0.2	6.1	+6.6%
Instruments	1.5	8.7	10.2	4.1	4.9	9.0	+14.4%
Central costs	(3.1)	-	(3.1)	(3.1)	-	(3.1)	0.0%
Group	**38.9**	**11.8**	**50.7**	**57.2**	**7.8**	**65.0**	**-22.0%**

[1]Adjustments relate to amortisation of acquired intangible assets.

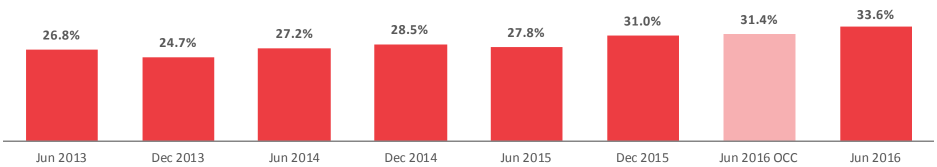
AVERAGE EXCHANGE RATES

AVERAGE RATES TRADING	US$	EURO
H1 2015	1.52	1.36
H2 2015	1.54	1.40
Full Year 2015	1.53	1.38
H1 2016	1.43	1.29
+ = GBP STRENGTHENING / - = GBP WEAKENING		
H1 2016 versus FY 2015	-6%	-6%

PERIOD END EXCHANGE RATES

	US$	EURO
June 2015	1.57	1.41
December 2015	1.47	1.36
June 2016	1.34	1.20
+ = GBP STRENGTHENING/ - = GBP WEAKENING DEC 2015	-9%	-12%

WORKING CAPITAL



(£M)	DEC 2015	% REVENUE	JUN 2016 OCC[1]	% REVENUE	JUN 2016	% REVENUE
Inventory	87.2	16.0%	89.4	18.0%	100.3	19.0%
Trade receivables	118.8	21.7%	104.4	21.1%	118.9	22.5%
DSO		55		62		64
Trade payables	(36.7)	6.7%	(37.9)	7.7%	(42.1)	8.0%
Net working capital	169.3	31.0%	155.9	31.4%	177.1	33.6%

[1]OCC are organic constant currency figures which have all acquisitions removed and are restated at 2015 exchange rates.

EARNINGS PER SHARE

(£M)	H1 2016	H1 2015	CHANGE	OCC[1] CHANGE
PBT as reported (£m)	38.3	56.3	-31.9%	-35.6%
Adjusted[2] PBT (£m)	50.1	64.1	-21.8%	-32.4%
Effective tax rate	26.4%	26.4%		
Basic EPS as reported	3.25p	4.77p	-32.0%	-35.7%
Adjusted[2] basic EPS	4.25p	5.44p	-21.9%	-32.5%

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[2]Adjusted operating profit & EPS are stated before the amortisation of acquired intangible assets.

DIVIDENDS

CORE DIVIDEND	MONTH PAID / PAYABLE	AMOUNT (PENCE)	COST (£M)
2014 Final	May 2015	3.09p	26.8
2015 Interim	September 2015	1.95p	17.0
Paid in 2015		5.04p	43.8
2015 Final	May 2016	3.10p	26.9
2016 Interim	September 2016	1.95p	17.0

- Interim dividend maintained at 1.95 pence
- Dividend cover 1.3 times on H1 2016 results

DISCLAIMER

This information includes 'forward-looking statements'. All statements other than statements of historical fact included in this presentation, including, without limitation, those regarding Rotork's ("the Company") financial position, business strategy, plans (including development plans and objectives relating to the Company's products and services) and objectives of management for future operations, are forward-looking statements. These statements contain the words "anticipate", "believe", "intend", "estimate", "expect" and words of similar meaning. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Company's present and future business strategies and the environment in which the Company will operate in the future. These forward-looking statements speak only as at the date of this document. The Company expressly disclaims any obligation or undertaking to disseminate any updates or revisions to any forward-looking statements contained herein to reflect any change in the Company's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Past business and financial performance cannot be relied on as an indication of future performance.

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