

# News Release

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## **Monday 8<sup>th</sup> November 2010 INTERIM MANAGEMENT STATEMENT**

Spirax-Sarco Engineering plc, the world leader in the control and efficient use of steam and in peristaltic pumping, issues the following Interim Management Statement in respect of the period since 30<sup>th</sup> June 2010.

### **Trading**

Sales growth thus far in the second half has improved from the first half year. Sales for the ten months through October 2010 were ahead 14%, including an organic sales increase of 9%, with 5% contributed equally between acquisitions and favourable currency movements. Sterling has been relatively stable over recent months and at current exchange rates, we would expect to see a similar percentage currency gain for the full year.

Since the half year, sales in the steam business increased strongly in Asia Pacific as several large projects were shipped in Korea. In the Americas, organic sales growth was in line with the first half due to a stronger performance in South America offset by some weakening in North America. Following a flat first half year, we saw moderate sales growth in EMEA led by strong performances from Germany and Russia. Watson-Marlow, our peristaltic pump business, continued its robust sales growth.

Adjusted operating profit continues to benefit from good operational gearing, the cost reductions implemented last year and favourable currency movements. In the period, we continued to invest in our global manufacturing strategy, add sales resources in developing markets and increase R&D investments, all aimed at enhancing our future growth and margin prospects.

### **Financial position**

We operate with a strong balance sheet and the Group had a net cash balance of £30 million at 31<sup>st</sup> October 2010. There has been no material change in the financial position of the Group during the period.

### **Outlook**

Global economic activity and industrial output have shown positive growth this year, although more recently the rates of growth have been broadly slowing and we remain alert to any significant slowdown. Sales growth returned in the last two months of 2009 and the easier comparisons are therefore now behind us. However, we expect to make good progress in 2010 and, as we reported at the half-year, to see a more normal second-half bias of sales and profits.

Enquiries:

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## About Spirax Sarco

Spirax-Sarco Engineering plc is the world leader in both steam system management and peristaltic pumping. The Company provides a broad range of fluid control products, engineered packages, site services and systems expertise for its diverse range of over 100,000 industrial and institutional customers. The Company helps its customers to optimise production capacity, reduce energy costs and emissions, improve product quality and enhance the safety of their operations. Spirax Sarco is headquartered in Cheltenham, England, has strategically located manufacturing plants around the world and employs over 4,500 people, of whom over 1,200 are direct sales and service engineers. Its shares have been listed on the London Stock Exchange since 1959 (*symbol: SPX*). Further information can be found at [www.spiraxsarcoengineering.com](http://www.spiraxsarcoengineering.com)