

# Smiths Group

Investor Day 25th April 2006

John Crane Overview  
Mike Mansell

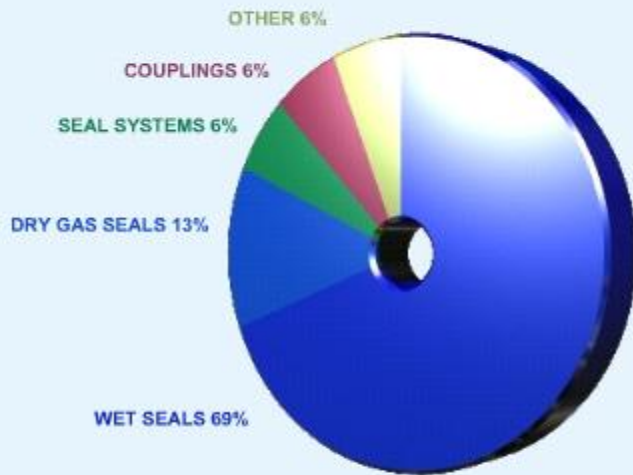


[www.smiths-group.com](http://www.smiths-group.com)

John Crane is the global technology leader in mechanical seals. Its unique competitive advantage is its world-wide sales and service footprint.



# John Crane - Sales by product



**MECHANICAL SEALS -  
Wet Seals 69%**



**MECHANICAL SEALS -  
Dry Gas Seals 13%**



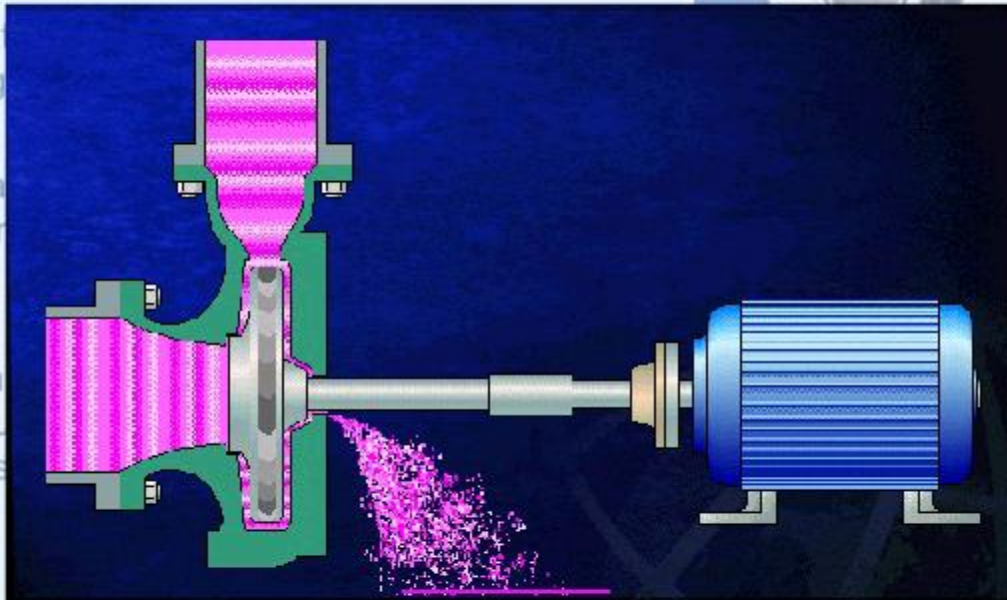
**Seal Systems 6%**



**Couplings 6%**

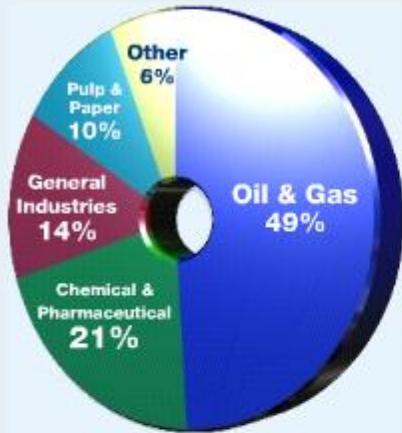
John Crane delivers superior products and services to many industries

- Used within pumps and compressors to prevent leakage into environment
- Two main categories: wet running and dry running gaskets
- Both have flanges with a thin film of lubricant on the faces
- Expansive range of applications from low speed to high speed turbines and bellows seals



Knowledge, Service, Experience

# John Crane - Sales by market



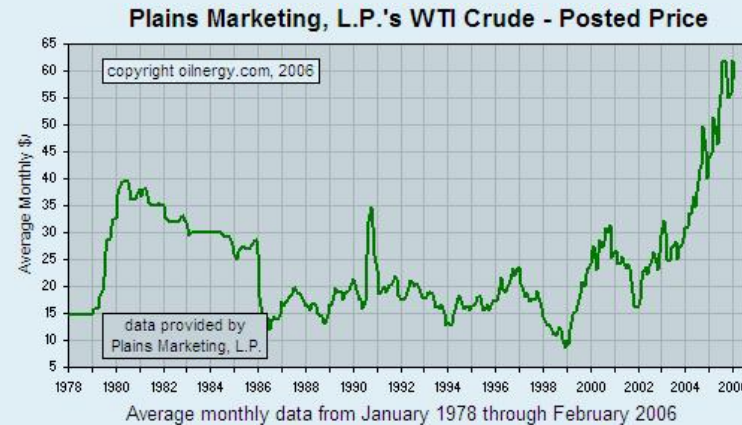
## OIL & GAS SHARE



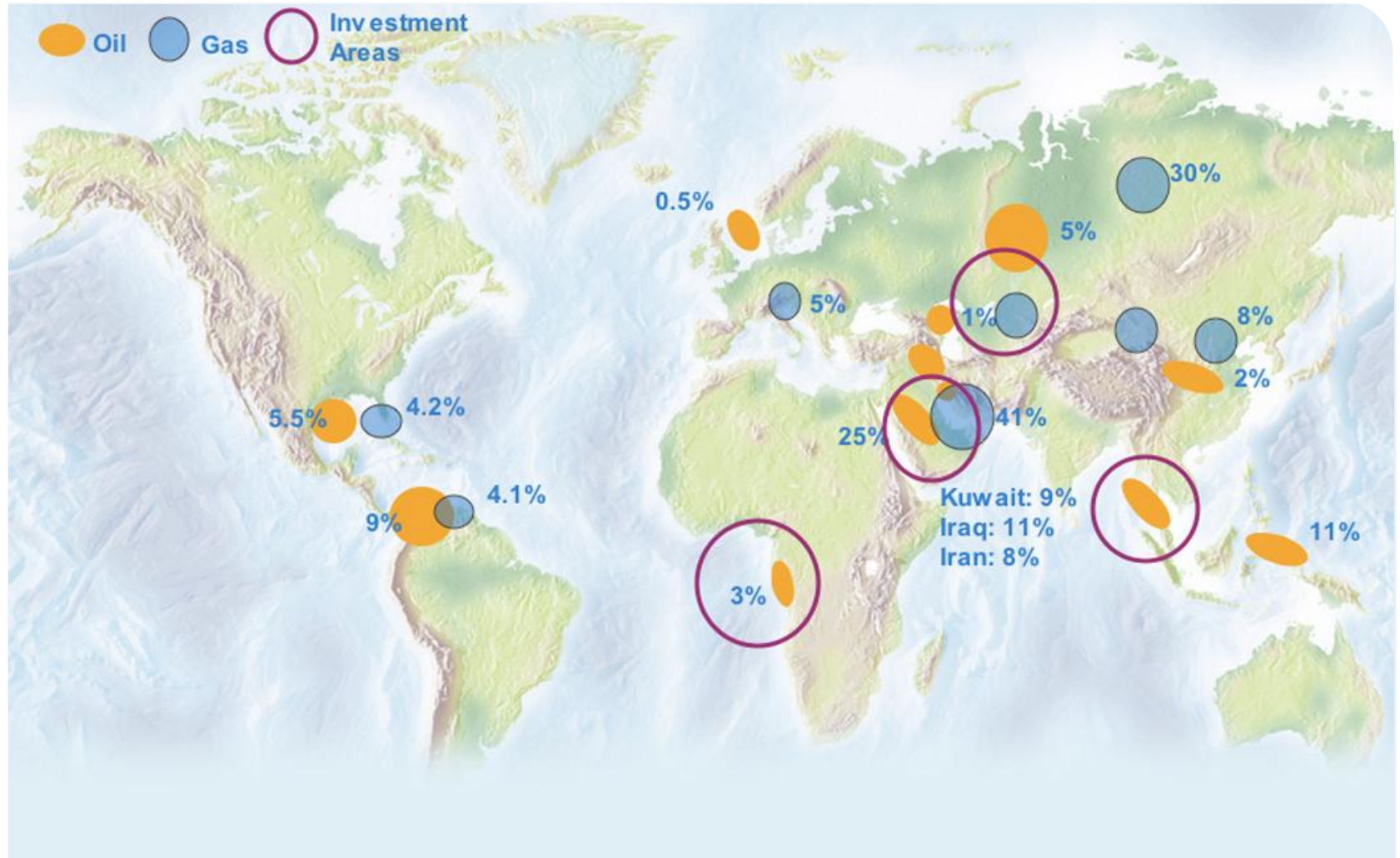
John Crane delivers superior products and services to many industries

# Strong Industry Fundamentals

- Base oil price increased from \$20pb to \$75pb
- Oil Majors inherent profitability
- Investment in Oil & Gas equipment over \$120bn p.a.

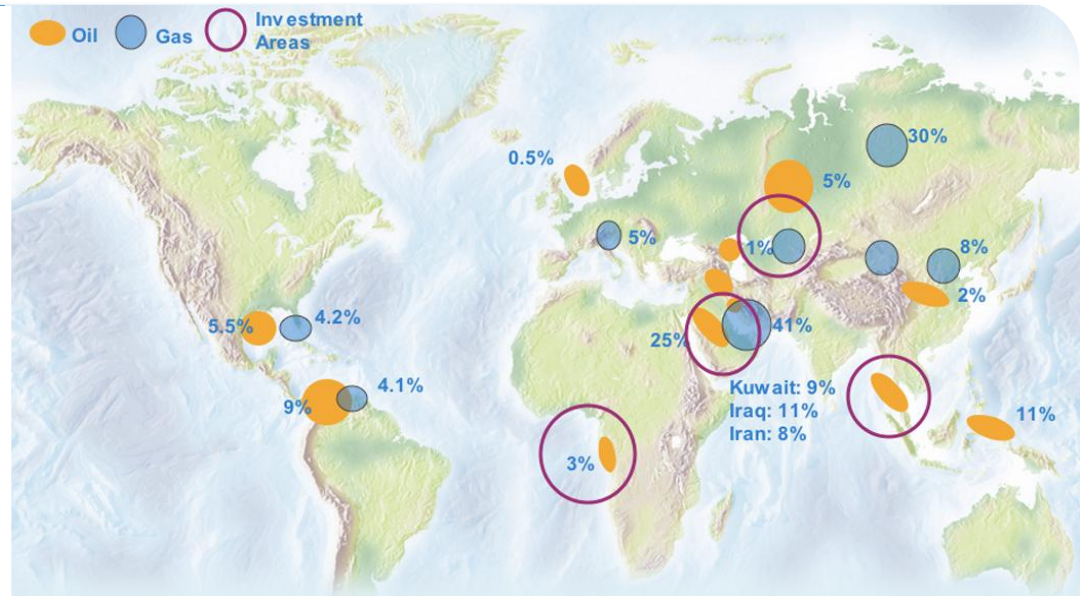


# Market Trends



# Market Trends

- Increasing energy requirements - Oil & Gas, Petrochemical and Power
- Focus on Asia & Non Middle-East resources
- Move to Asia Pacific





## Organic growth at accelerated rates

- 5% sales CAGR
- 11% profit CAGR
- Strong Cash Conversion

## Intrinsic Business Strengths:

- Customer intimacy globally
  - 44% of workforce customer facing
  - 200 sales and service facilities
  - Distributed across 157 countries
- Strong, globally recognised brand
- Non-discretionary aftermarket – high
- Technical leadership
- Strong relationships with original equipment market
- Strong global project management



# John Crane Major Competitors and Customers

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## Major Competitors



EagleBurgmann.



## Major Customers



Nuovo Pignone



SULZER



قطر للغاز  
QATARGAS



TOTAL

ExxonMobil

WEIR



Bayer



# John Crane Market Opportunities

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## Increased Global Investment in Oil & Gas

- Offshore West Africa
- Canadian Tar Sands
- Nanhai Petrochemical plant

## Other Growth Markets

- Power & Water
- Pulp & Paper

## Value Added Services

- Performance Plus
- E-business

West Africa



Tar Sands - Canada



Nanhai – South East China





## Business Process Re-Engineering

- Single largest investment
- Integrate whole business into one
- Improved customer service
- Lower costs

## Low cost manufacturing

- Manufacturing in China, India, Mexico and Czech Republic
- Back office support, drawing office, e-business, marketing, projects
- Supporting market shift to Asia Pacific and Latin America

## Lean business

- Continuous improvement culture
- Improved efficiency and profit
- Effective improvement toolkit

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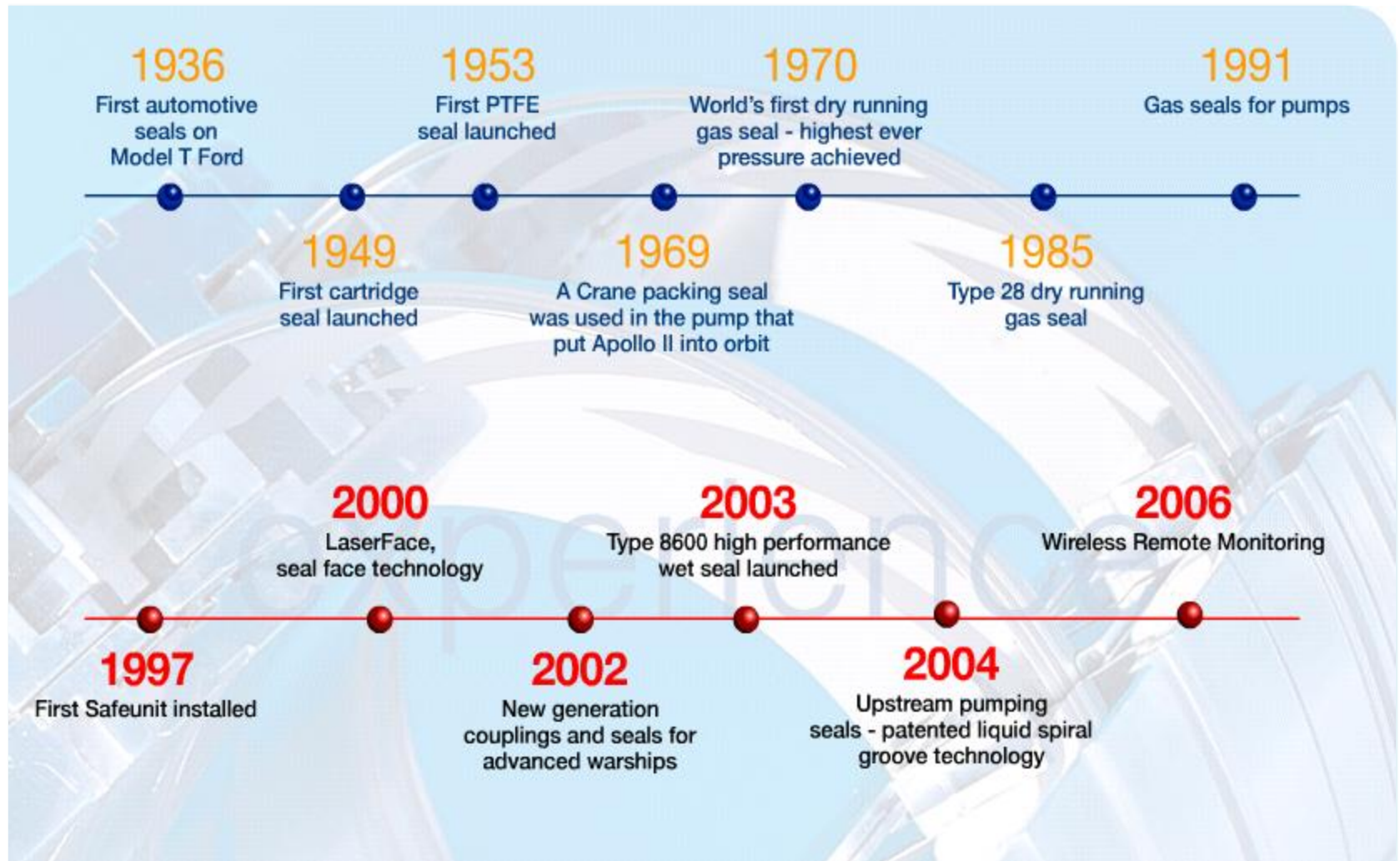
John Crane Technology  
Michael Hall



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# John Crane - A Passion for Innovation

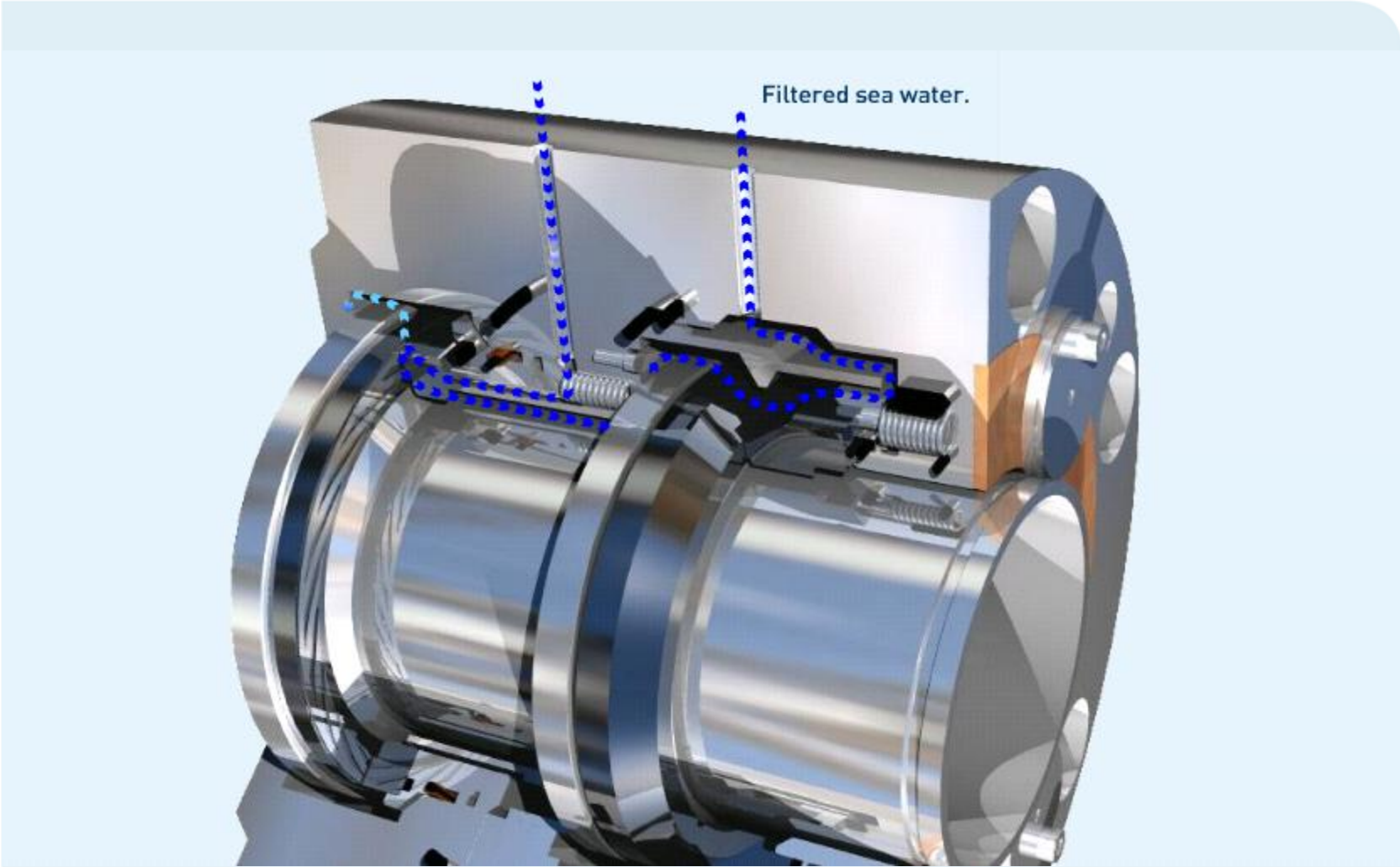
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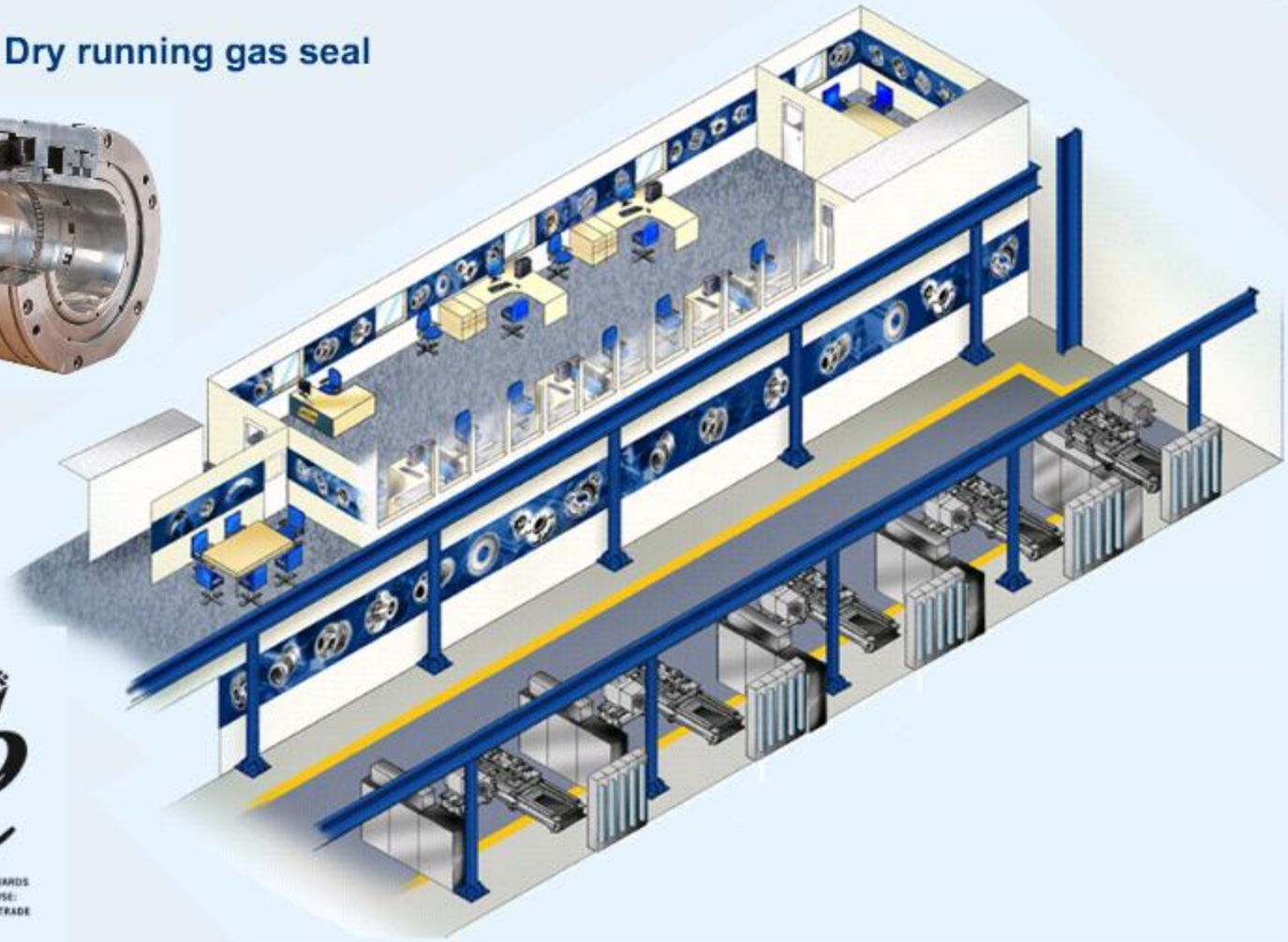
Cutting edge dry gas seal technology  
applied to wet seals



# Technology Leadership – Wet Seals



## Type 28 – Dry running gas seal



THE QUEEN'S AWARDS  
FOR ENTERPRISE:  
INTERNATIONAL TRADE  
2005

# Fluid Control Systems

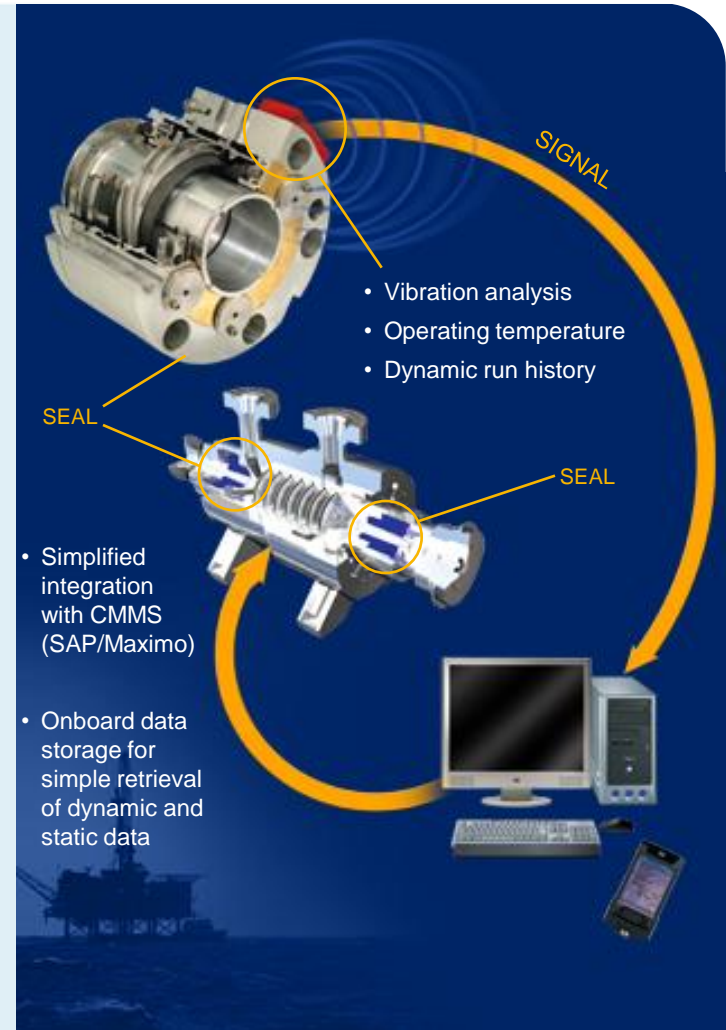
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- Complements John Crane gas seals
- Monoblock design for ease of installation
- Controls the seal environment
- Advanced system centre in Singapore
- Broadband virtual private network
- 24 hour support - maintenance and monitoring
- John Crane engineers notified through SMS
- View real time data from anywhere
- Immediate response and troubleshooting
- Increases reliability of critical equipment
- Increased plant uptime and availability



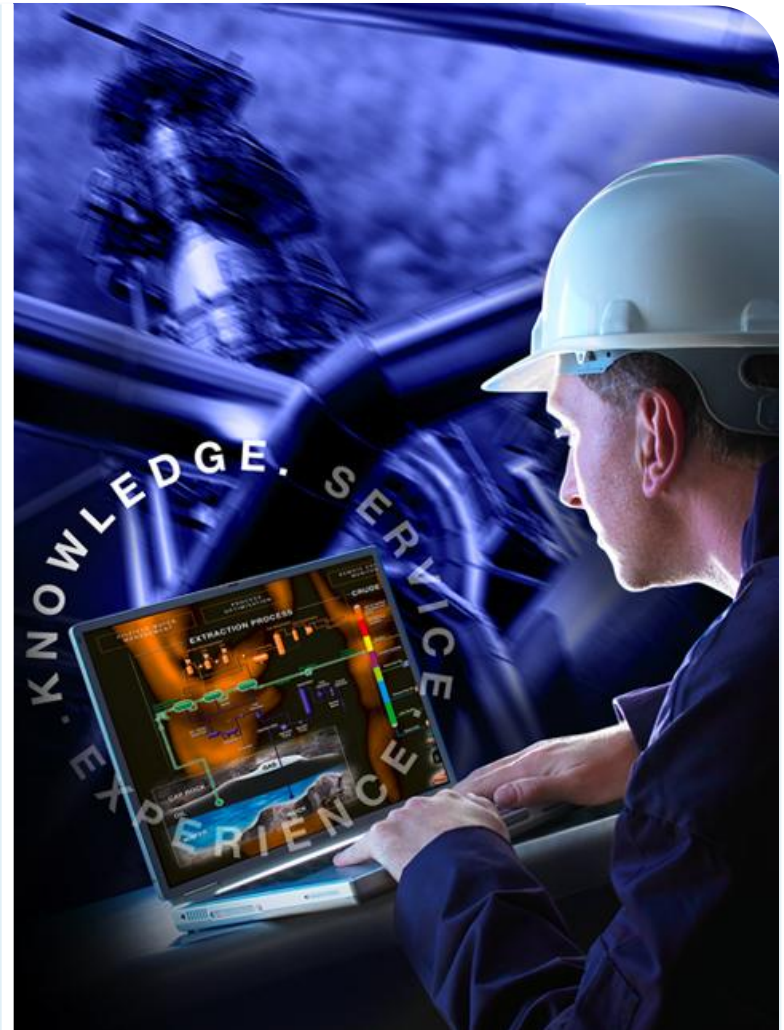
# Wireless Remote Monitoring

- Independent power ...No wires!
- Dynamic vibration measurement and analysis
- Real time transient operating data
- Static operating data eg. manufacturing drawings
- Simple RFID data storage and retrieval
- Cost effective



## Performance Plus

- Performance Plus provides the solution to close the gap in performance on rotating equipment and associated process plant
- Solutions are delivered on a Risk-Reward basis
- Clients face differing challenges in striving to be World Class
- We will align with our customers and use our tools and processes to evaluate the **performance gap** and close it



# John Crane - Summary

Growth opportunities	Service support	Technology	Performance Enhancement
			
<ul style="list-style-type: none"><li>• Oil, gas and power</li><li>• Canada, Venezuela, West Africa</li><li>• Global investment</li></ul>	<ul style="list-style-type: none"><li>• Performance based solutions</li><li>• Control and monitoring</li><li>• Gas seal centres</li><li>• Global network</li><li>• eBusiness</li></ul>	<ul style="list-style-type: none"><li>• Gas seals</li><li>• Wet seals</li><li>• Support systems</li><li>• Remote monitoring</li><li>• Test centre</li></ul>	<ul style="list-style-type: none"><li>• Low cost manufacturing</li><li>• Business process re-engineering</li><li>• Back office support</li><li>• LIFE - Continuous improvement</li></ul>

# Agenda

- Questions and Answers
- Break
- Factory Tour
- Buffet Lunch
- Close at 1pm

