



XP Power plc

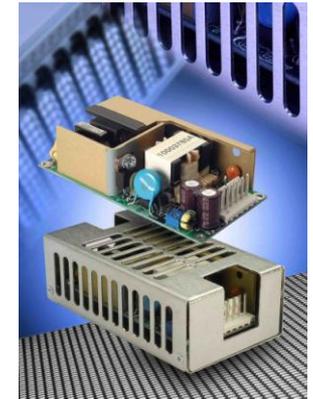
2004 Interim Results



T H E X P E R T S I N P O W E R

Highlights

- Revenue growth of 14%
- Growth in adjusted earnings per share of 75%
- Acquisition of XP Electronics expands design engineering capability
- XP product now represents over 50% of revenues
- Eighth successive period of gross margin improvement
- Increased interim dividend to 6p per share
- Mickey Lynch appointed Finance Director



Profit and Loss Account

£ Millions	2002		2003		2004
	First half	Second half	First half	Second half	First half
Revenues	33.0	31.0	29.1	30.3	33.2
Gross margin	10.2	10.2	9.7	10.2	11.7
Gross Margin %	30.9%	32.9%	33.3%	33.7%	35.2%
Selling and administration expenses	(8.5)	(7.7)	(7.0)	(7.1)	(7.5)
Research and development	(0.6)	(1.1)	(0.8)	(1.1)	(1.1)
Goodwill amortisation	(0.7)	(0.8)	(0.8)	(0.7)	(0.7)
Share of associates' operating profit	0.0	0.1	0.1	0.2	0.2
Operating profit	0.4	0.7	1.2	1.5	2.6
Net interest expense	(0.2)	(0.2)	(0.3)	(0.3)	(0.3)
Profit on sale of own shares				0.4	
Profit before tax	0.2	0.5	0.9	1.6	2.3
Profit before tax, goodwill amortisation and profit on sale of own shares	0.9	1.3	1.7	1.9	3.0
Diluted earnings per share	(1.0)p	1.0p	2.0p	5.0p	6.9p
Diluted earnings per share adjusted for goodwill amortisation	2.9p	4.4p	5.9p	6.5p	10.3p

Profit and Loss Account by Geography

Six months ended 30 June 2004

£ Millions	Corporate	USA	UK	Europe	Total
Revenues		19.1	9.3	4.8	33.2
Gross margin		6.3	3.9	1.5	11.7
Gross Margin %		33.0%	41.9%	31.3%	35.2%
Operating expenses	1.6	3.8	2.3	0.9	8.6
Share of associates' operating profit	0.2				0.2
Operating profit	(1.4)	2.5	1.6	0.6	3.3
Operating profit %		13.1%	17.2%	12.5%	9.9%
Net interest (expense)	(0.2)		(0.1)		(0.3)
Profit before tax and goodwill amortisation	(1.6)	2.5	1.5	0.6	3.0

Profit Reconciliation (£ Millions)

Profit before tax and goodwill amortisation 6 months ended 30 June 2003		1.7
Changes in gross margin		2.0
Result of revenue increase at 2003 exchange rate and margins	2.2	
Translation effect on USA gross margin	(0.8)	
Improvement in gross margin percentage		
Europe	0.2	
USA	0.4	
Changes in operating expenses		(0.8)
Profit sharing pool and commissions	(0.5)	
Other expenses	(0.7)	
XP Electronics	(0.2)	
Translation effect on operating expenses	0.6	
Share of increase in associates' profit		0.1
Profit before tax and goodwill amortisation 6 months ended 30 June 2004		3.0

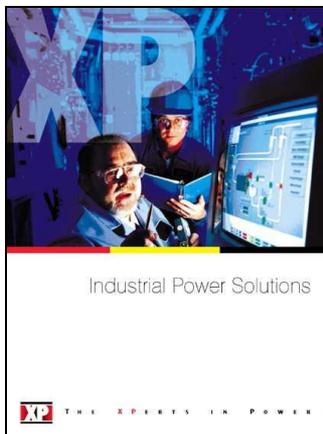
Summary Balance Sheets

£ Millions	June 2003	December 2003	June 2004
Fixed assets			
Goodwill	22.2	22.4	22.7
Tangible assets	3.2	2.9	2.7
Investments	0.8	1.1	0.6
Total fixed assets	26.2	26.4	26.0
Current assets			
Stocks	7.4	6.6	7.5
Debtors	10.6	11.5	13.7
Cash at bank	5.1	4.5	4.0
Total current assets	23.1	22.6	25.2
Current liabilities			
Overdraft	(3.2)	(2.6)	(4.8)
Deferred consideration	(0.8)	0.0	0.0
Other creditors	(9.0)	(9.4)	(12.6)
Total current liabilities	(13.0)	(12.0)	(17.4)
Deferred consideration	0.0	(2.2)	(2.2)
Revolving credit facility	(8.6)	(8.4)	(8.3)
Net assets	27.7	26.4	23.3

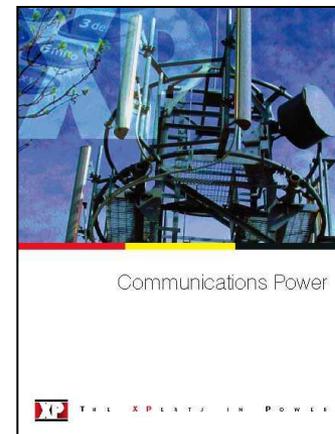
Cash Flow Statements

£ Millions	Six months to 30 June 2002	Six months to 30 June 2003	Six months to 30 June 2004
Earnings before interest, tax, depreciation and amortisation	1.4	2.2	3.4
Working capital movements	4.1	1.3	0.1
Net cash flow from operations	5.5	3.5	3.5
Dividends received from associates/(paid) to minorities	0.0	0.0	0.1
Net interest	(0.3)	(0.3)	(0.3)
Tax paid	(0.4)	(0.1)	0.0
Net capital expenditure	(0.4)	(0.1)	(0.1)
Free cash flow	4.4	3.0	3.2
Acquisitions	(5.4)	0.0	(0.9)
Dividend paid	(1.4)	(1.4)	(1.4)
Stock buy back	0.0	(0.5)	(3.5)
(Increase)/decrease in net debt	(2.4)	1.1	(2.6)
Opening net debt	(6.2)	(7.8)	(6.5)
Closing net debt	(8.6)	(6.7)	(9.1)

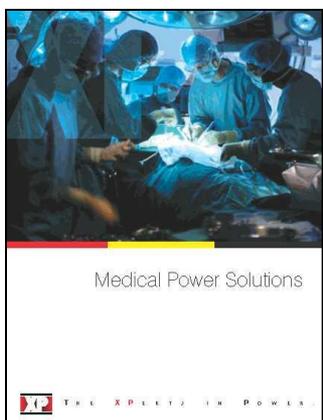
Industry Focus - Four Key Sectors



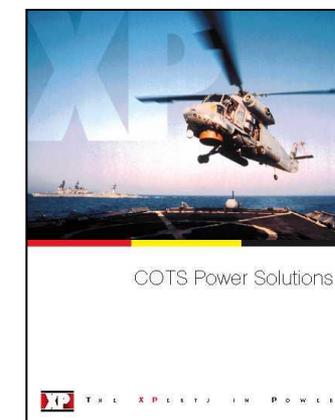
Industrial



Comms



Medical



Defence



THE EXPERTS IN POWER

Revenue by Industry Sector and Geography

	North America		Europe		2004 Total		2003
	£M	%	£M	%	£M	%	%
Industrial	9.3	49%	5.9	42%	15.2	45%	47%
Comms	4.8	25%	4.1	29%	8.9	27%	27%
Medical	4.6	24%	2.3	16%	6.9	21%	20%
Defence	0.4	2%	1.8	13%	2.2	7%	6%
Total	19.1	100%	14.1	100%	33.2	100%	100%

Industrial: Instrumentation & Process control, Utilities and Oil & Gas, Semi-fab eqt. & Others

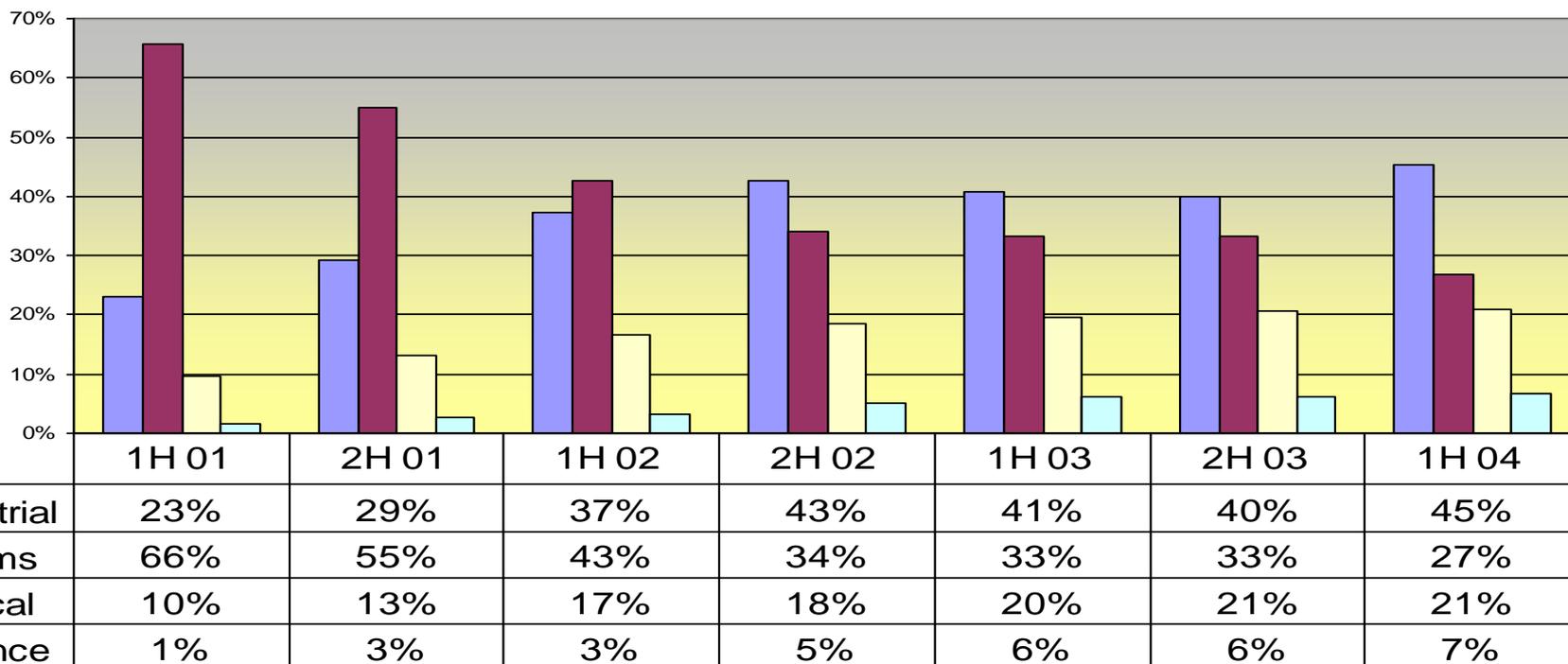
Comms: Networking, Telecom, Mobile comms, Wireless, Broadcast, Data processing

Medical: Patient vicinity, Laboratory equipment

Defence: Defence, Avionics



Industry Sector Split



Industrial Comms Medical Defence

Market Share and Growth Potential

(Period H1 Annualised)

\$ Millions	Available market	XP sales	XP share
North America			
North west	337	26.2	8%
South west	135	15.3	11%
Central & s.east	135	5.5	4%
Mid west	135	7.0	5%
East	135	5.7	4%
North east	135	7.8	6%
Canada	113	0.5	0%
Total N. America	1,125	68.0	6%

\$ Millions	Available market	XP sales	XP share
Europe			
Germany	140	4.8	3%
UK	125	33.0	26%
France	85	2.6	3%
Nordic	65	3.2	5%
Italy	65	0.2	0%
Benelux	30	1.2	4%
ROE	30	0.4	1%
Switzerland	20	4.6	23%
Total Europe	560	50.0	9%

Source: XP estimates/Micro-Tech Consultants

Note: Available market is 2003 estimate



T H E X P E R T S I N P O W E R

Market Position

2003 Mid-Tier revenues, North America & Europe

Lambda - a division of Invensys	\$135 million
Vicor - Nasdaq quoted	\$119 million
XP Power	\$96 million
Artesyn - Nasdaq quoted	\$56 million
Power-One - Nasdaq quoted	\$56 million

Notes: Lambda - management estimate

Vicor - 38% export including Europe

Artesyn - 88% of revenues in power, 18% of which is mid-tier

Power-One - 22% of revenues mid-tier

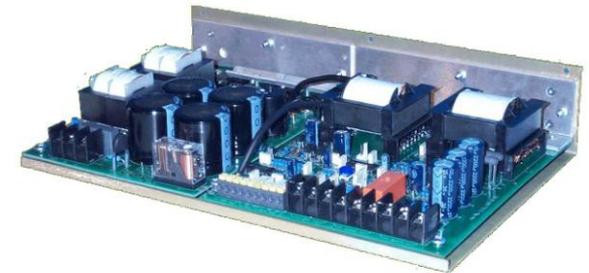
Products

- US catalogue launched June 2004
- 25 new product families introduced
- Specifically developed for our customers
- New product development is focussed around owning more of the IP
- Continue to partner with strategic third party power supply companies
- Widest range of products from any one source

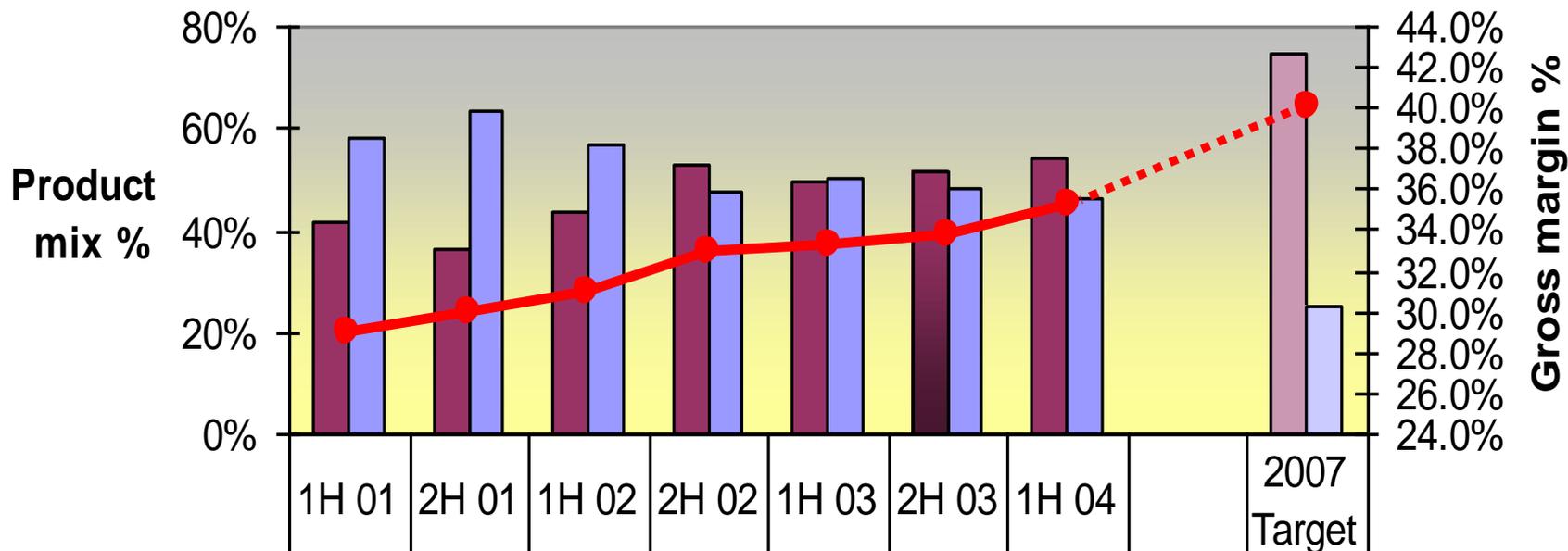


XP Electronics Acquisition

- Expands proprietary product range
- Low to medium volume manufacturing capability in Europe
- Added value and configuration facilities
- Expands Group's design engineering team
- Complements our virtual manufacturing model with volume production transferred to Asia



Product Split and Gross Margin Trend



XP Product	42%	37%	43%	53%	50%	52%	54%		75%
Third party	58%	63%	57%	47%	50%	48%	46%		25%
Gross margin	28.9%	30.0%	30.9%	32.9%	33.3%	33.7%	35.2%		40.0%



Summary

- Industry focus on larger customers
- Increased IP with acquisition of XP Electronics
- Product mix and margin continue to improve
- Fifth successive period of earnings growth
- Over 22% revenue growth in real terms
- Interim dividend increased by 20%
- Well positioned for the future!

