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XP Power Interim Results

Six months ended 30 June 2009

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Introduction to XP Power

- Leading developer and manufacturer of mission critical power control hardware
- Supplies industrial, healthcare and technology sectors
- Blue chip client list
- Historic and ongoing investment in R&D has built a market leading product portfolio
- Focus on higher margin own IP sales
- Chinese low cost manufacturing capability established – to facilitate further penetration of blue chip client list
- Global network of offices across North America, Europe and Asia

2. Financials

Income and Expenditure Statement

£ Millions	2009 First Half		2008 First Half	
Revenue	33.1	100.0%	34.8	100.0%
Gross margin	14.9	45.0%	14.9	42.8%
Research and development (net)	1.3	3.9%	1.1	3.2%
Other operating expenses	9.1	27.5%	8.5	24.4%
Operating profit ^{Note 1}	4.5	13.6%	5.3	15.2%
Net interest expense	0.7	2.1%	0.9	2.6%
Profit before tax (clean) ^{Note 1}	3.8	11.5%	4.4	12.6%
Taxation	0.3	0.9%	0.9	2.6%
Profit after tax (clean) ^{Note 1}	3.5	10.6%	3.5	10.0%
Adjusted diluted earnings per share	18.6p		18.4p	

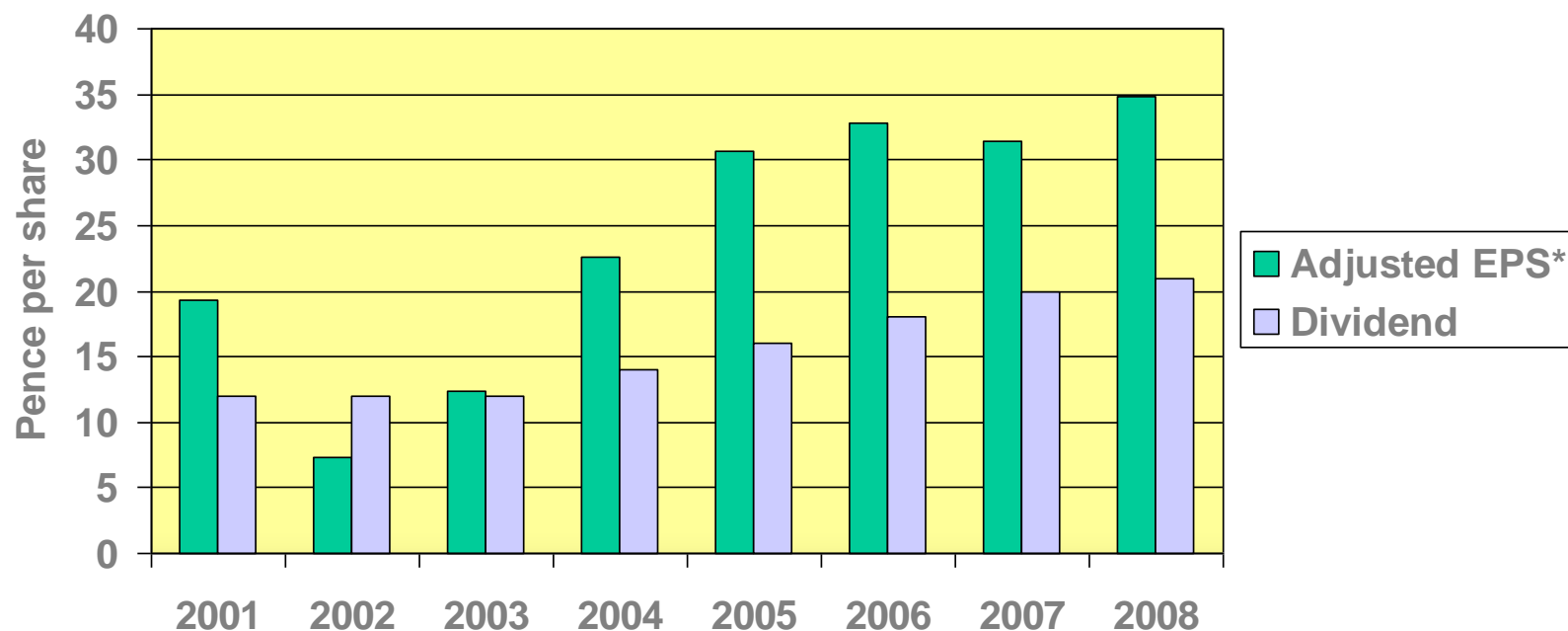
Note 1: Adjusted for amortisation £0.2 million (2008: £0.1 million) and non-cash FX gain £nil (2008: £2.1 million)

Summary Balance Sheets

£ Millions	2009 June	2008 December	2008 June
Cash	1.8	3.4	4.0
Trade and other receivables	11.2	14.9	13.4
Inventories	13.6	17.5	12.3
Total current assets	26.6	35.8	29.7
Property, plant and equipment	6.8	6.7	4.2
Other non-current assets	36.9	36.4	36.7
Total non-current assets	43.7	43.1	40.9
Trade and other current payables	9.7	15.4	11.9
Short term borrowings	6.5	7.3	3.2
Total current liabilities	16.2	22.7	15.1
Non-current provisions and liabilities	3.6	3.3	3.9
Long term borrowings	20.3	23.9	21.0
Net assets	30.2	29.0	30.6

Dividend

- Maintained earnings and strong cash flow performance underpin robust attitude to dividend
- Interim dividend payment of 10.0p in line with 2008

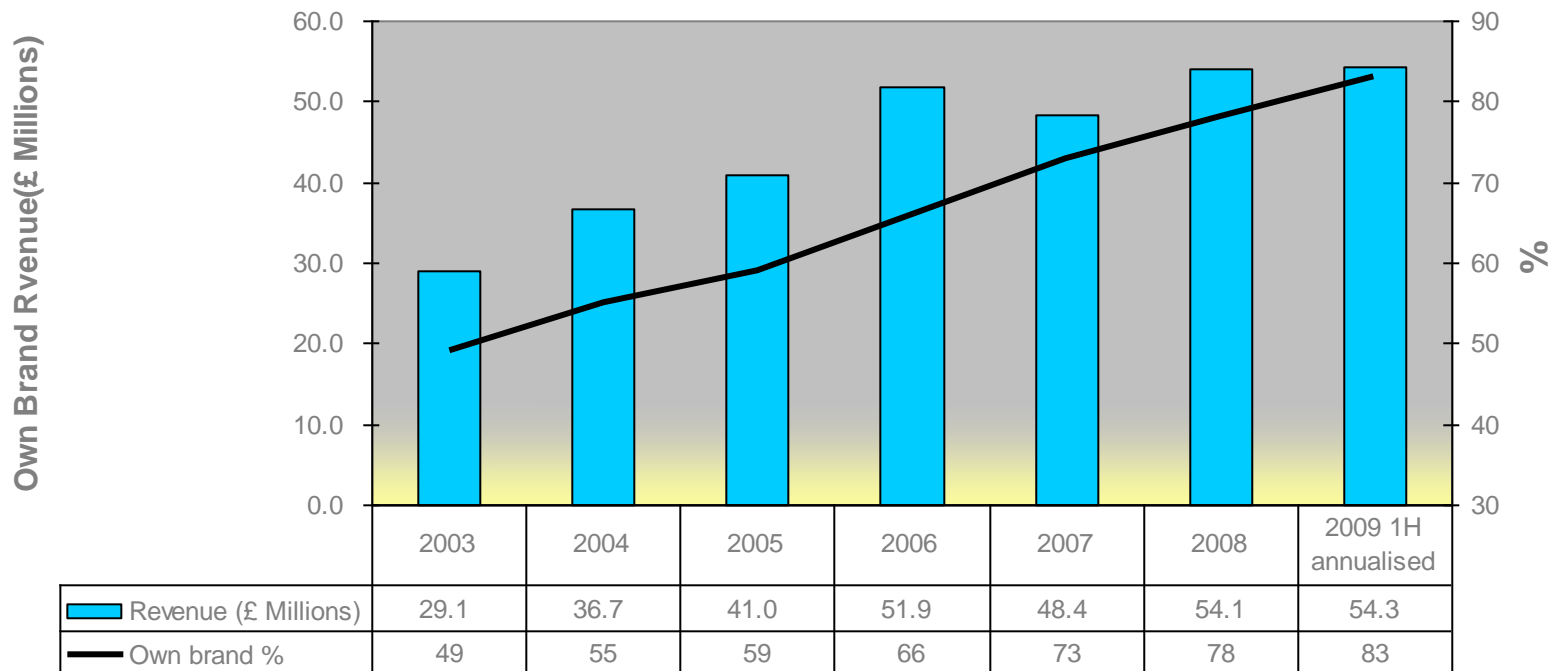


Cash Flow Statement

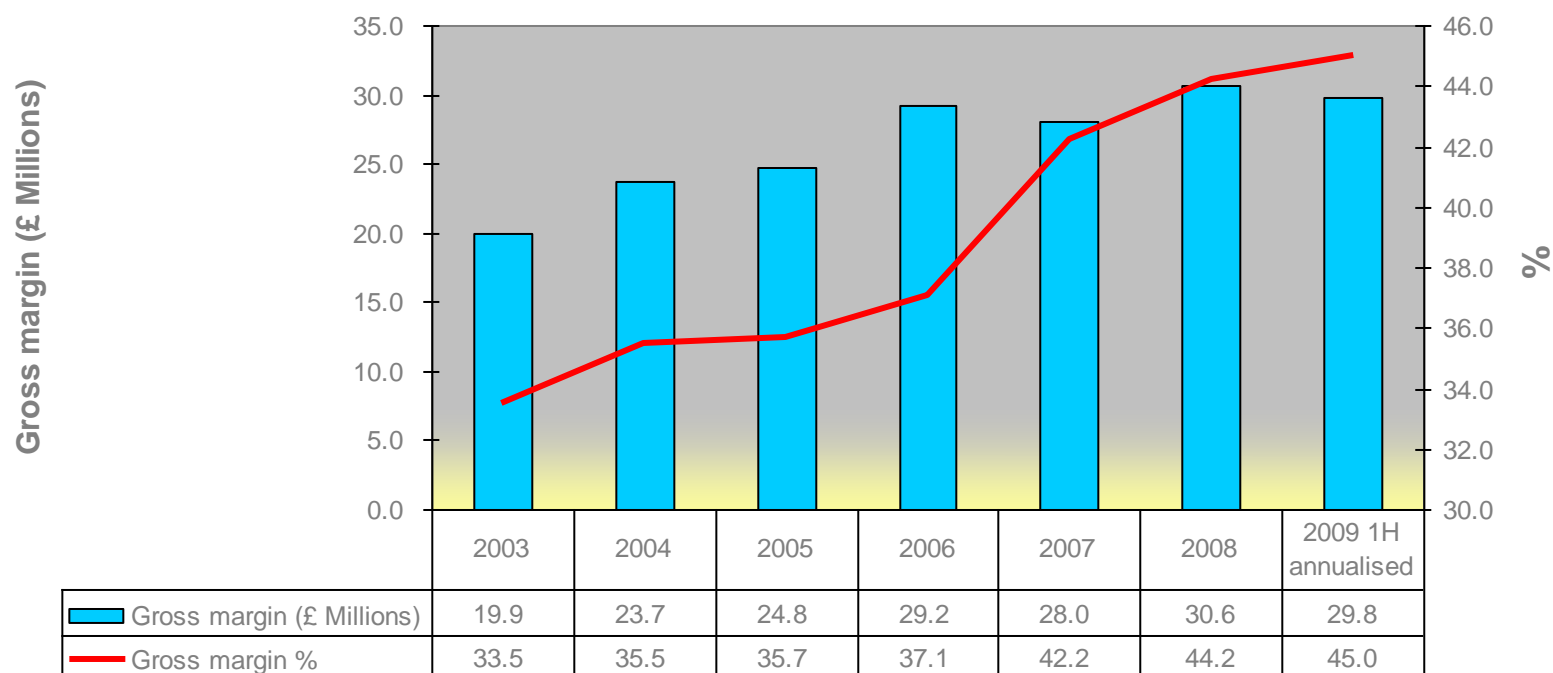
£ Millions	2009 First Half	2008 First Half
Operating profit (excluding 2008 non cash FX gain)	4.3	4.9
Depreciation and amortisation	0.9	0.4
Working capital movements	0.9	(0.7)
Taxation	(0.3)	(0.3)
Net cash flow from operating activities	5.8	4.3
Capitalised expenditure on product development	(0.8)	(0.3)
Interest	(0.7)	(0.7)
Free cash flow	4.3	3.3
Purchases of property, plant and equipment	(0.8)	(0.8)
Acquisition of Joint Venture	-	(1.0)
Dividends	(2.1)	(2.1)
Net cash flow	1.4	(0.6)

Own Brand Revenue Trend

Average annual compound growth rate of 11% (13% to 2008)



Own Brand Revenues Drive Gross Margin Increase



Record gross margins from growth in own brand sales

3. Strategy

- Further expansion of product range
 - Class leading high efficiency converters
 - Product niches identified by industry specialists
- Leverage new low cost manufacturing facility in China
 - Gain further approved or preferred supplier status at leading blue chip OEMs

Drives growth in market share and increased margins

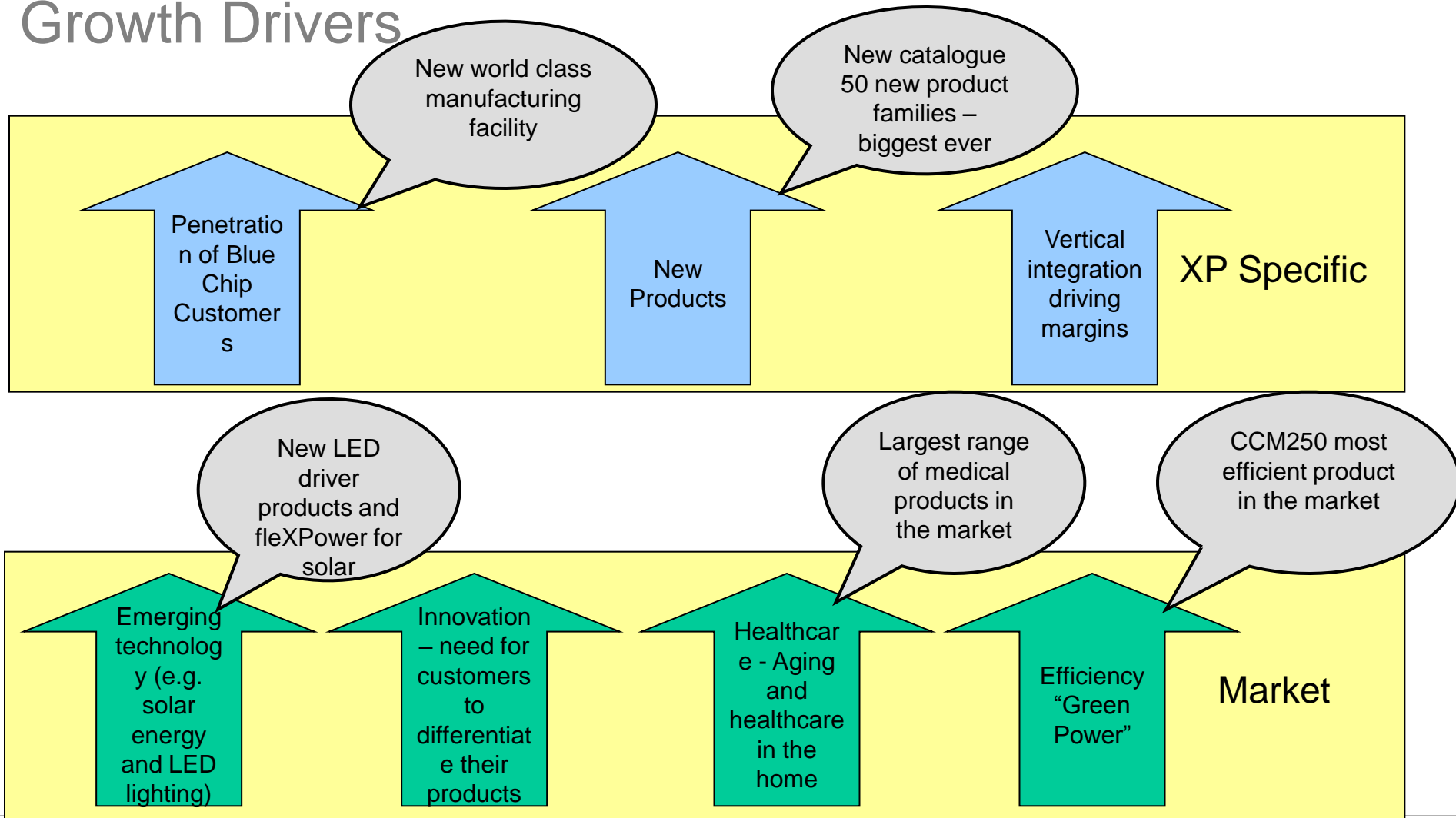
New Low Cost Manufacturing Capability In Place



- New Chinese facility now on stream
- Fundamental in achieving preferred supplier status with key blue chip customers
- New facility very favourably received based on initial customer audits

4. The Market and Growth Drivers

Growth Drivers

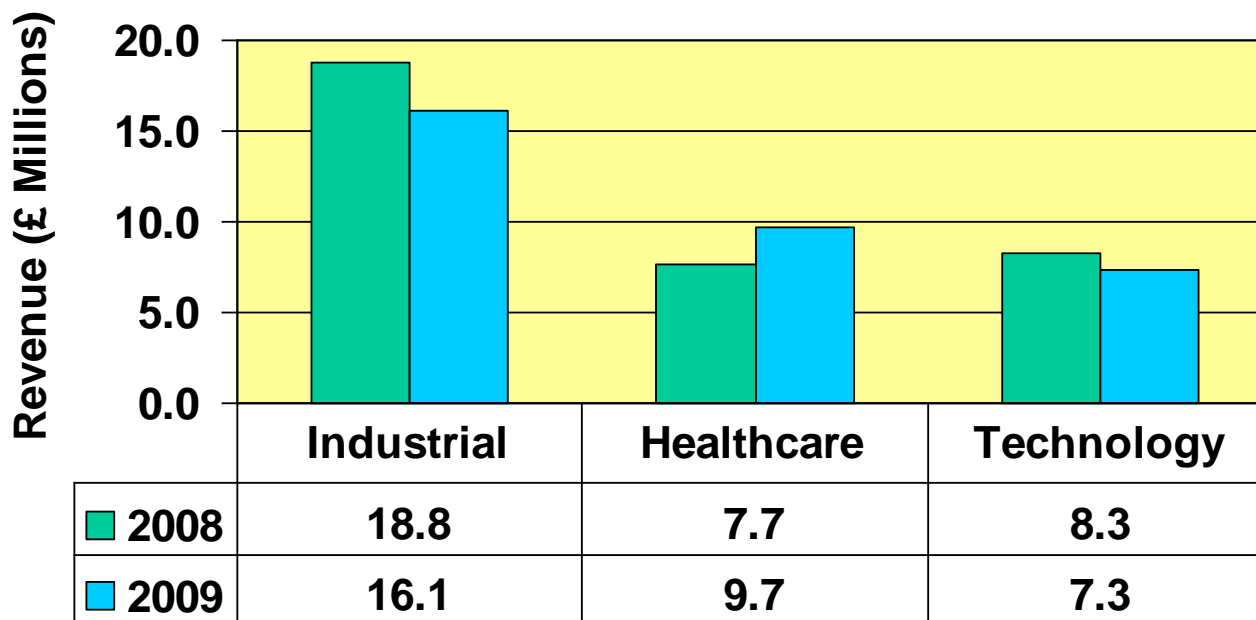


Blue Chip Customer Base

- We do business with the following proportions of the S&P 500 Equipment Manufacturers:
 - Industrial 73%
 - Healthcare 94%
 - Technology 69%
- Over 6,000 active customers the largest of which is <3% of revenue

Sector Split

25% Growth in Healthcare mitigates weakness in Industrial and Technology



2008	54%	22%	24%
2009	49%	29%	22%

5. Product Development Update

Our Product Development Resources

Design Centres

- North America, UK and Singapore

Engineered Solutions Centres

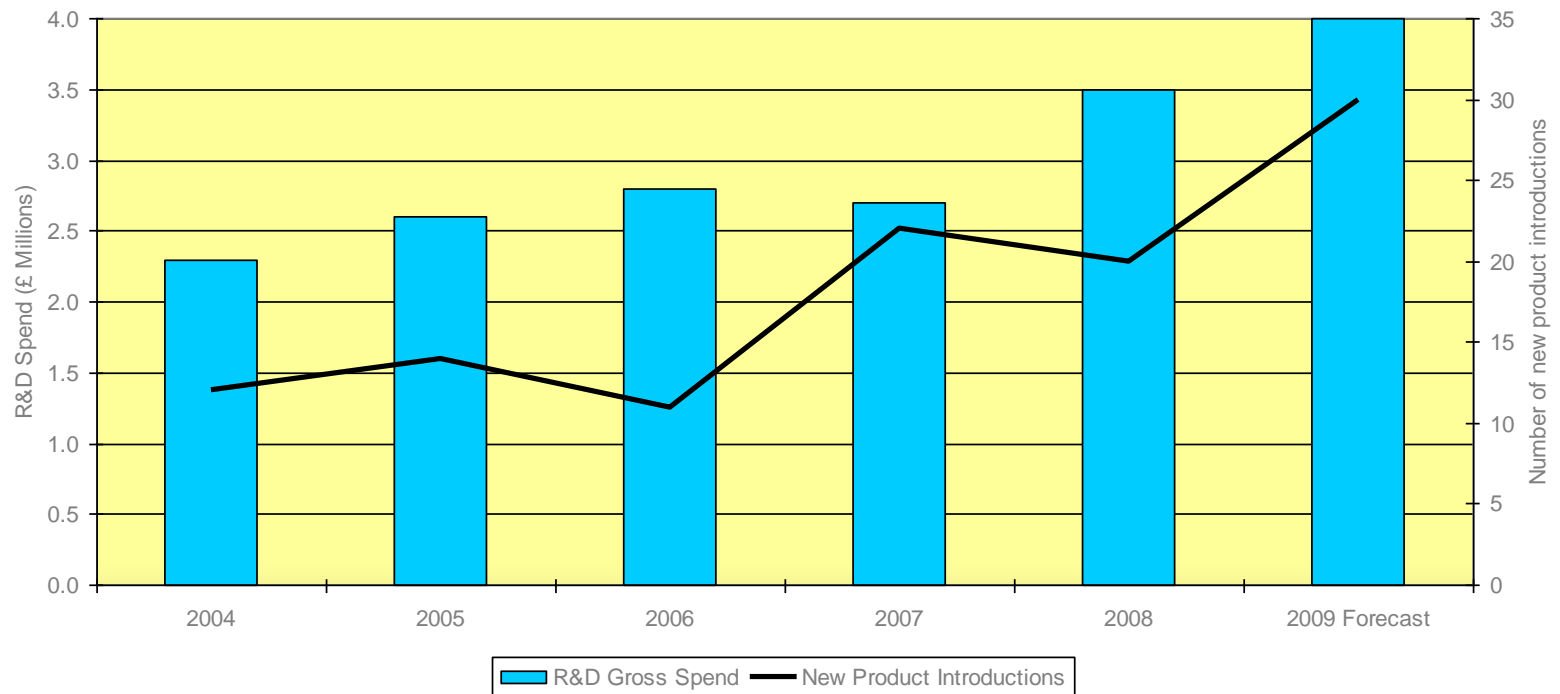
- North America, UK and Germany

Technology Partners

- Taiwan and China

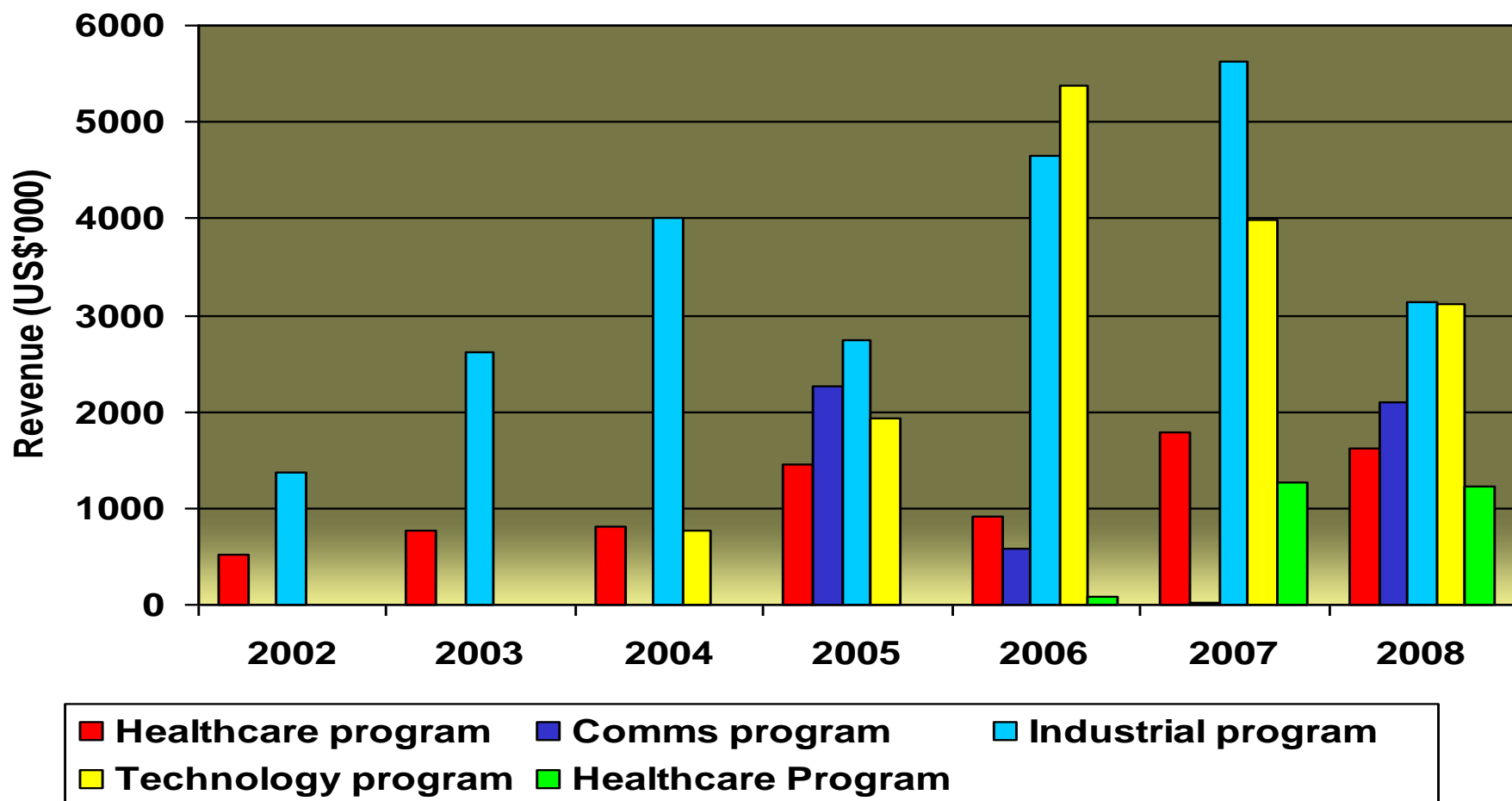


Gross R&D Spend and New Production Introductions

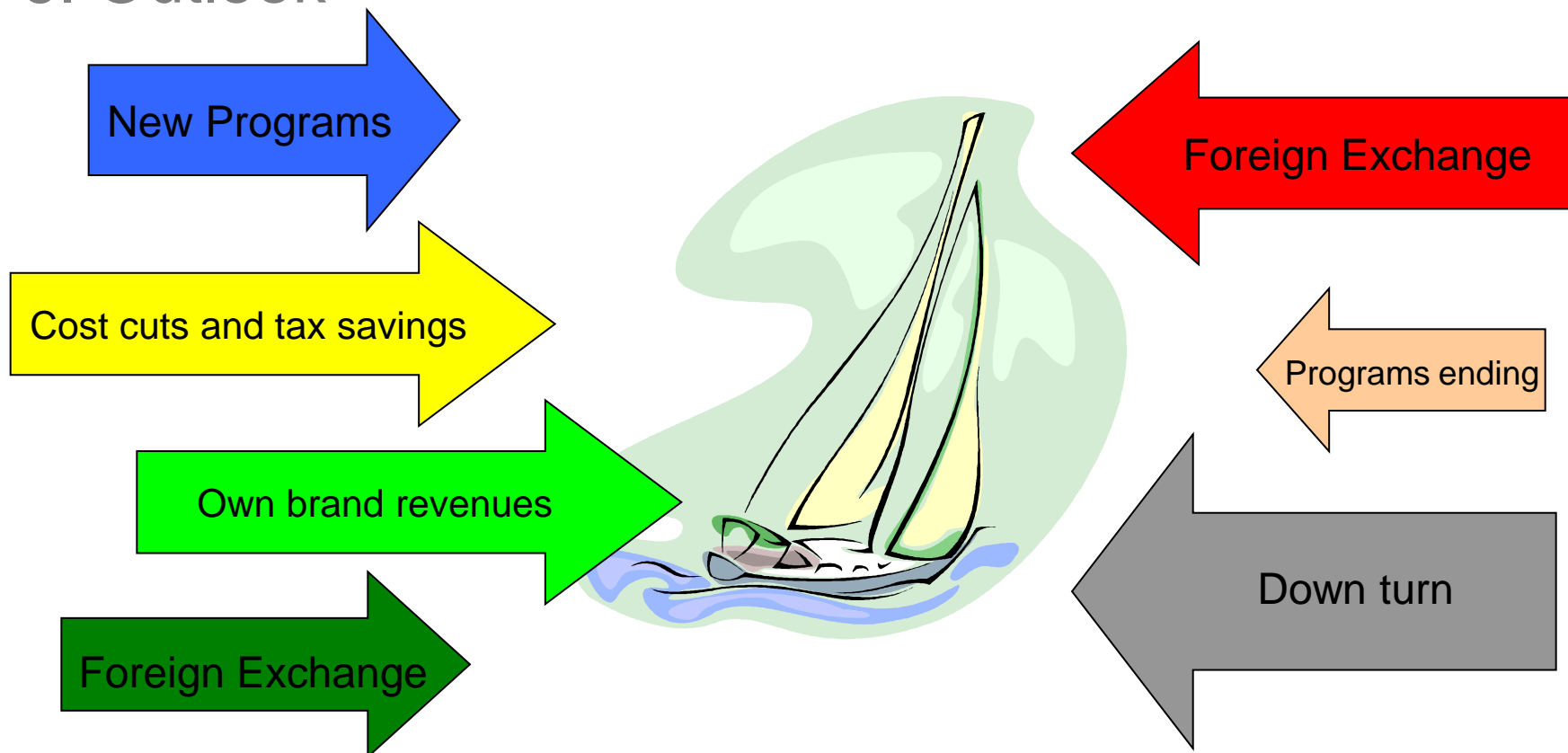


The success of our new products has directly led to significant gains in new programs

Revenue Annuity – Sample programs



6. Outlook



We believe the strength of the tail winds in our business are at least as strong as the current economic head winds

Summary

- Market remains challenging
- Portfolio of new products using latest technology components
- New “state of the art” manufacturing facility
- Strategy will underpin a resilient performance while positioning XP for cyclical recovery





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