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XP Power Interim Results

Six months ended 30 June 2010

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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 design/own manufacture sales
- Asian low cost manufacturing facilitates further penetration of blue chip customers
- Global network of offices across North America, Europe and Asia

XP reduces the costs of producing and operating our customers' equipment by applying the intellect of our 200 engineers

Income and Expenditure Statement

£ Millions	2010 First Half		2009 First Half		Growth
Revenue	40.7	100.0%	33.1	100.0%	23%
Gross margin	19.0	46.7%	14.9	45.0%	28%
Research and development (net)	1.6	3.9%	1.2	3.6%	33%
Other operating expenses	9.6	23.6%	9.2	27.8%	4%
Operating profit <small>Note 1</small>	7.8	19.2%	4.5	13.6%	73%
Net interest expense	0.5	1.2%	0.7	2.1%	(29%)
Profit before tax (clean) <small>Note 1</small>	7.3	18.0%	3.8	11.5%	92%
Taxation and minority interest	1.4	3.9%	0.3	0.9%	366%
Profit after tax (clean) <small>Note 1</small>	5.9	14.0%	3.5	10.6%	68%
Adjusted diluted earnings per share	31.1p		18.6p		67%

Note 1: Adjusted for amortisation associated with acquisitions £0.1 million (2009: £0.2 million)

Currency Impact

Currency	Revenue	Cost of sales	Opex	Interest	Profit before tax
US Dollar	70%	92%	56%	100%	36%
Sterling	15%	6%	21%	-	33%
Euro	10%	2%	16%	-	28%
Others	5%	-	7%	-	3%
Total	100%	100%	100%	100%	100%

USD strengthens 10% vs GBP	+7%	+5%	+2%	-	+1%
USD weakens 10% vs GBP	-7%	-5%	-2%	-	-1%

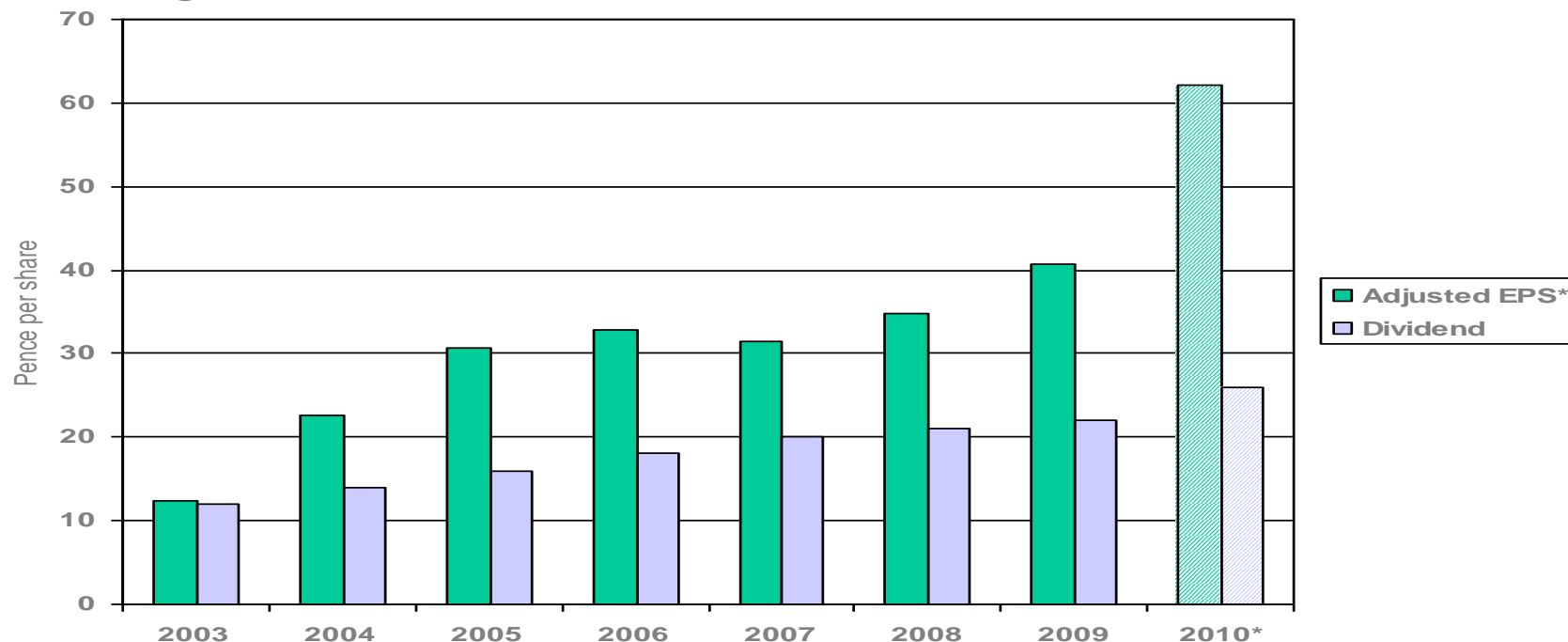
Summary Balance Sheets

£ Millions	2010 June	2009 December	2009 June
GBP/USD exchange rate	1.49	1.60	1.63
Cash	2.9	4.0	1.8
Trade and other receivables	15.7	12.2	11.2
Inventories	15.2	10.7	13.6
Total current assets	33.8	26.9	26.6
Property, plant and equipment	7.9	7.1	6.8
Other non-current assets	39.0	38.5	36.9
Total non-current assets	46.9	45.6	43.7
Trade and other current payables	17.2	11.9	9.7
Short term borrowings	4.0	3.9	6.5
Total current liabilities	21.2	15.8	16.2
Non-current provisions and liabilities	5.4	5.4	3.6
Long term borrowings	18.1	18.8	20.3
Net assets	36.0	32.5	30.2
Net debt	19.2	18.7	25.0

Cash Flow Statement

£ Millions	2010 First Half	2009 First Half
Operating profit	7.7	4.3
Depreciation and amortisation	1.1	0.9
Working capital movements	(2.3)	0.9
Taxation	(1.3)	(0.3)
Net cash flow from operating activities	5.2	5.8
Capitalised expenditure on product development	(0.9)	(0.8)
Interest	(0.4)	(0.7)
Free cash flow	3.9	4.3
Purchases of property, plant and equipment	(1.0)	(0.8)
Dividends	(2.5)	(2.1)
Net cash flow	0.4	1.4

Earnings and Dividend Trend



Earnings growth	88%	20%	7%	(4%)	11%	17%	67%
Dividend growth	17%	14%	12%	11%	5%	5%	30%

- Cash generative business model allows consistent dividend growth
- Dividend payment cycles now moved from half yearly to quarterly
- Earnings CAGR 20%, dividend CAGR 13%

Diluted and adjusted for amortisation of intangibles, non-cash foreign exchange gain, and reorganisation costs (*2010 figures annualised)

Strategy

- Target key accounts
- Increase penetration of existing key accounts
- Further expansion of high efficiency (“Green”) product offering
- Extend manufacturing capacity outside China
- Increase high margin contribution of own design/manufactured products



Kunshan Factory

电子技术有限公司鸟瞰图



- Fundamental in achieving preferred supplier status with key blue chip customers
- All customer audits successful
- Own manufactured product revenues expected to triple in 2010

State of the Art Manufacturing



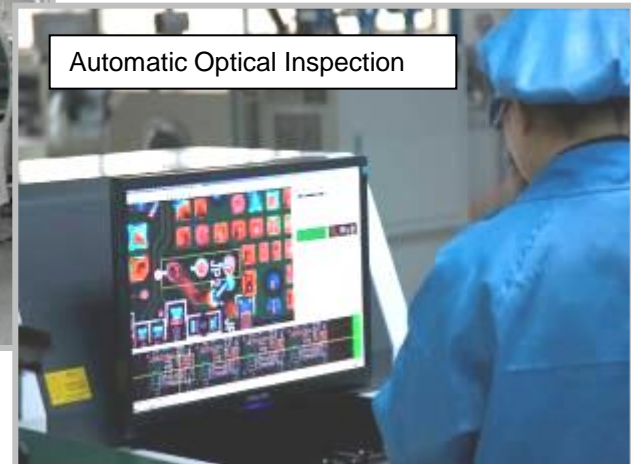
Automated pick and place



Lean manufacturing techniques and computer controlled operating instructions



Lead free wave solder



Automatic Optical Inspection

Seven customer inspections during the period (100% success rate)

Capacity Expansion in Vietnam

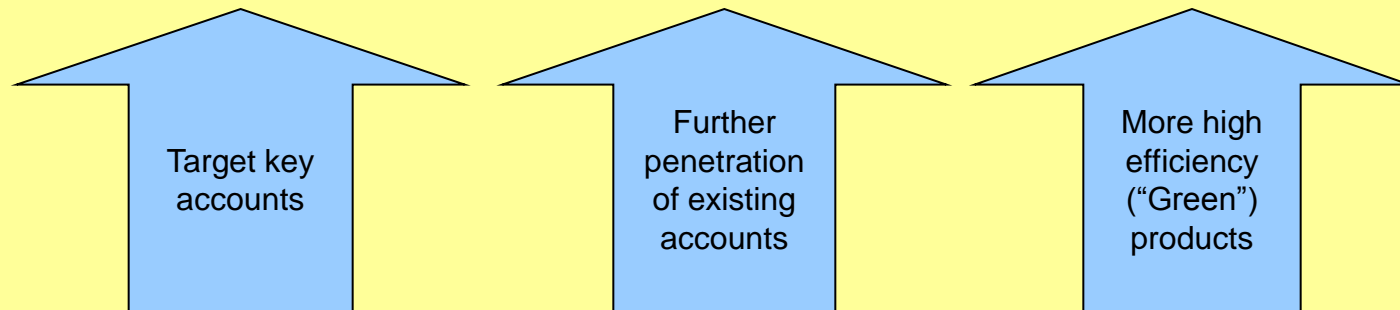
- China facility is approaching 50% of capacity
- Purchased 13,000m² of land in Ho Chi Minh City, Vietnam in 2008
- Land can accommodate two factories the size of the current China facility
- In the process of gaining planning consent
- Expect to break ground on the first of two factories in Vietnam in later part of 2010
- Operations are expected to start in approximately one year after breaking ground
- Cost of the first factory is expected to be around \$6.0M and the initial equipment set will be approximately \$2.5M

Mitigates continued rises in China costs and spreads geopolitical risk

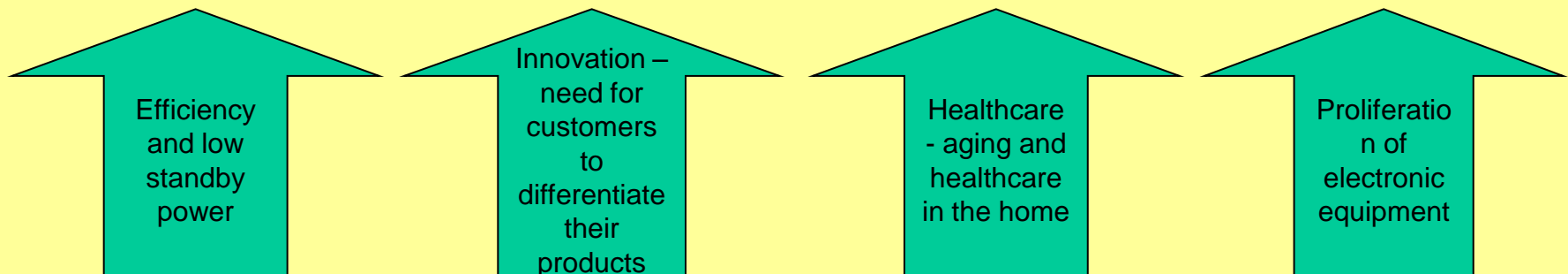


Growth Drivers

XP Specific



Market



Market Size and Share

£ Millions	Market 2009	Share	Rank
Asia	330	1%	-
Europe	310	10%	3 rd
North America	410	8%	2 nd
Total	1,050	6%	

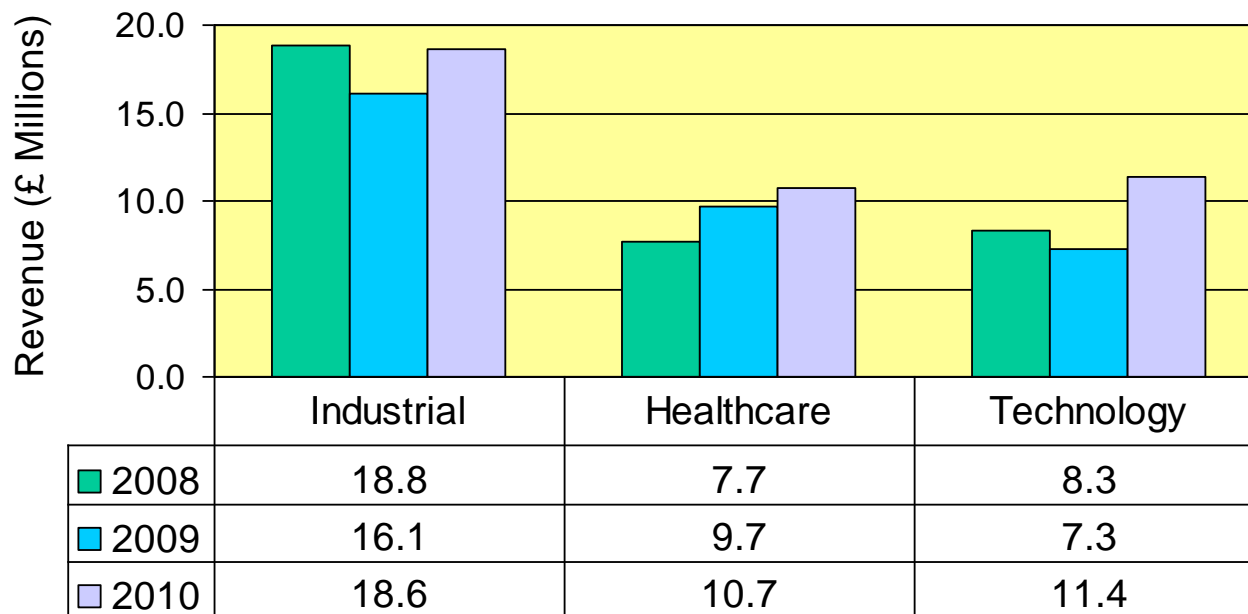
Market estimated to have declined 17% in 2009 in USD terms

XP Power's revenue mix 1H 2010

£ Millions	Asia	Europe	North America	Total	%
Healthcare	0.2	4.1	6.4	10.7	26%
Industrial	0.6	10.2	7.8	18.6	46%
Technology	1.1	4.9	5.4	11.4	28%
Total	1.9	19.2	19.6	40.7	100%
	5%	47%	48%	100%	

Sector Split

Growth in all market sectors – Technology particularly strong



Growth rates

2009	(14%)	26%	(12%)
2010	16%	10%	64%

Blue Chip Customer Base



GENERAL DYNAMICS



SIEMENS



We make it visible.



- 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 <5% of revenue

Selected New Design Wins

Application	Product	Geography	Annual value
Wafer inspection equipment	fleXPower and HPU1500	North America	\$2.4M
Automotive refrigeration recovery system	ECM140	North America	\$1.8M
Ventilator	AHM100	North America	\$0.8M
Medical X-Ray table	fleXPower and ECM140	Europe	\$0.4M
Medical monitor	ECS100	Asia	\$0.3M
LCD broadcast display	CCM250	Europe	\$0.2M

Product Development and Value Add Groups (VA)

ORANGE COUNTY, CA
SUNNYVALE VA, CA

FYFIELD, UK
PANGBOURNE VA, UK

WAGHUESEL VA, GERMANY

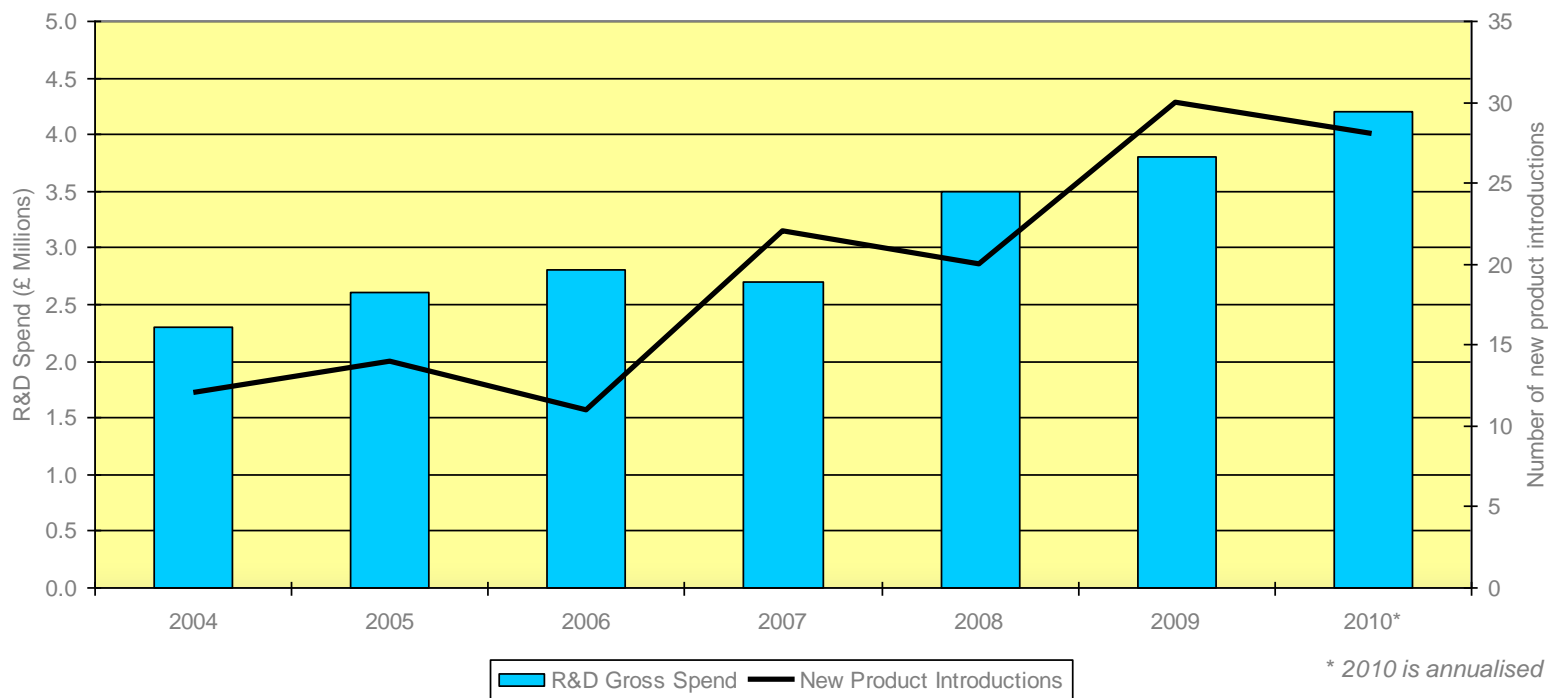
SINGAPORE

3 PARTNERS
CHINA

5 PARTNERS
TAIWAN

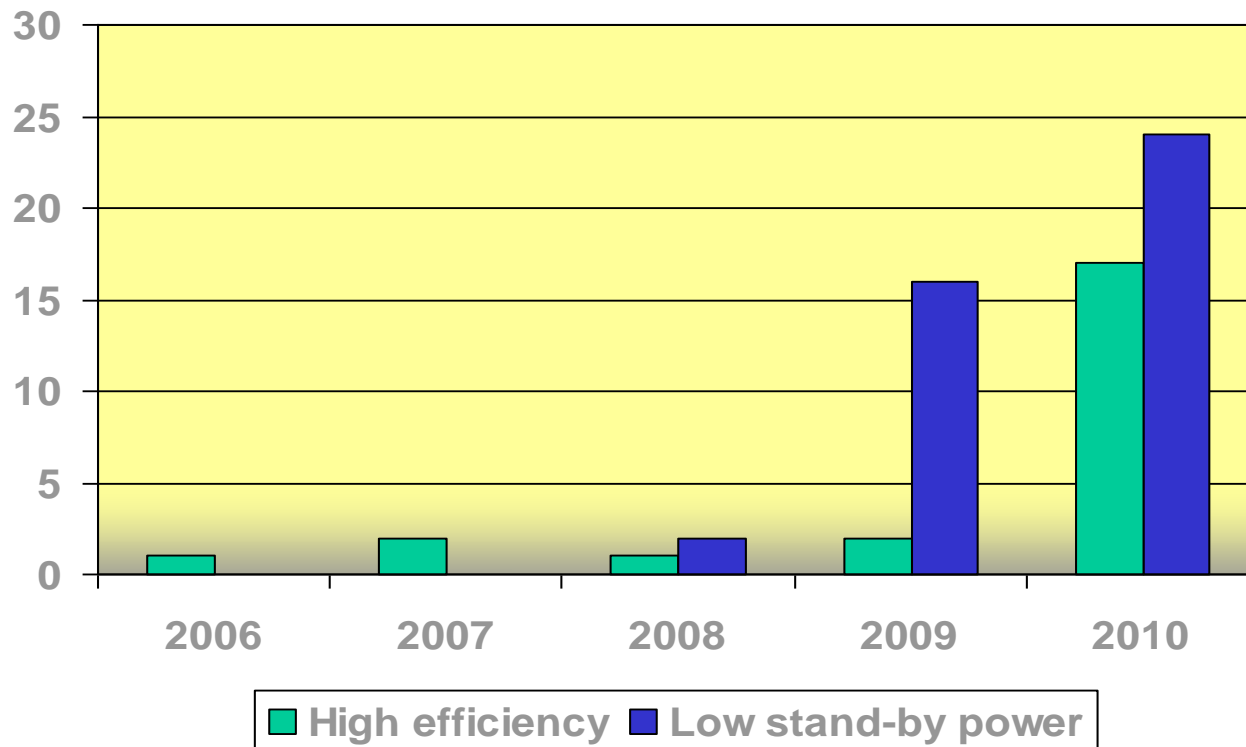


Gross R&D Spend and New Production Introductions



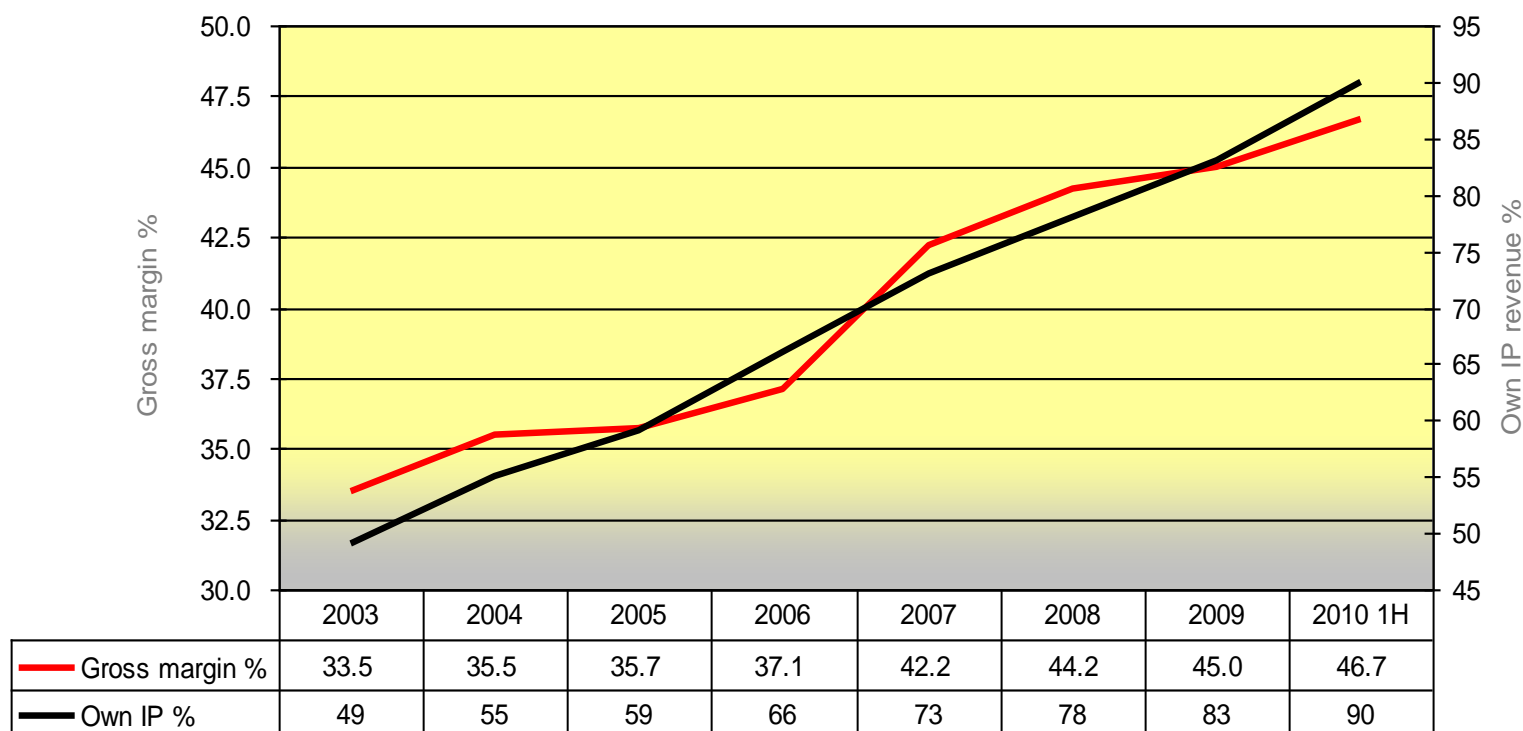
- The success of our new products has led directly to significant gains in new programs
- More resource focused on modified standards following a wave of new product family launches

“Green” Product Introductions



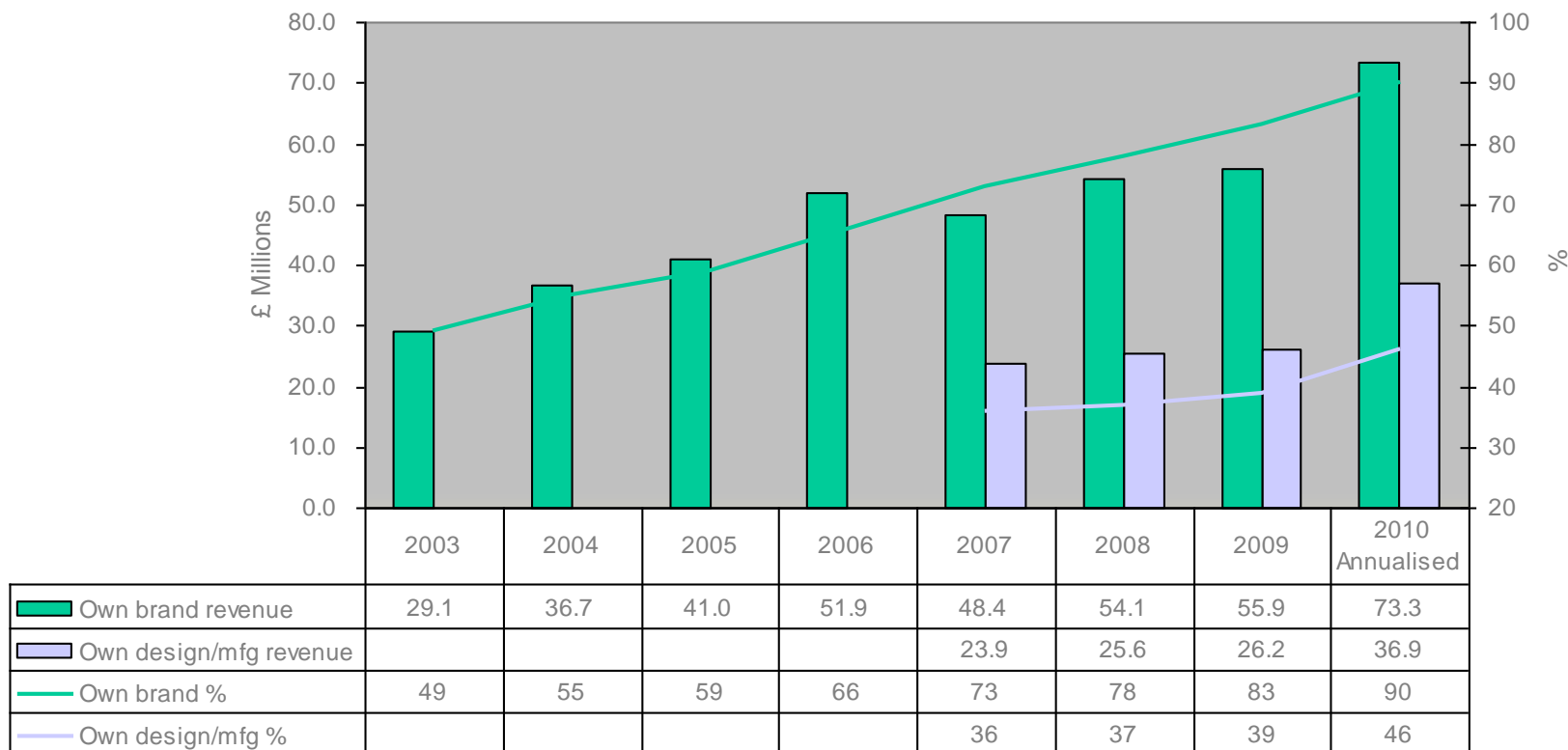
- Environmental concerns and legislation drive demand for energy efficient products
- Applicant member of the Electronic Industry Citizenship Coalition (EICC)

Own IP Revenues Drive Gross Margin Increase



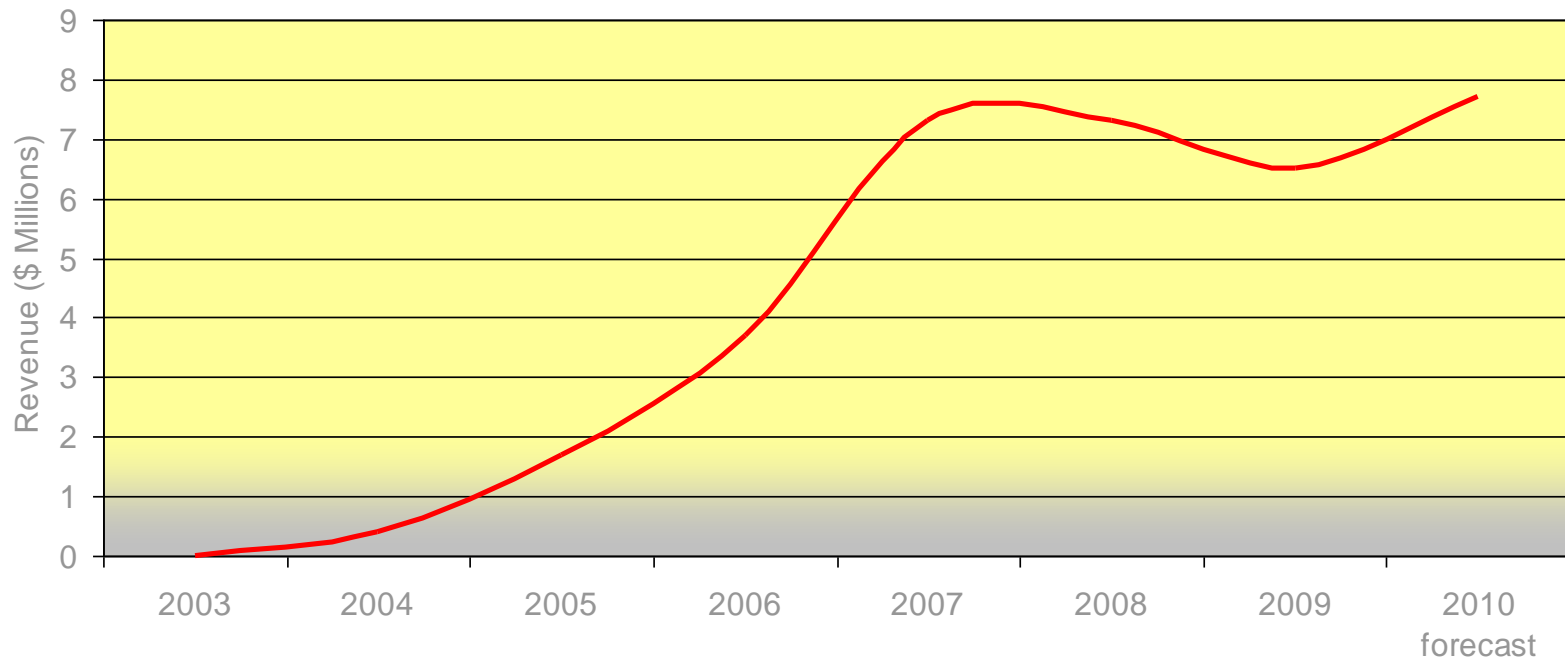
Record gross margins from growth in own IP sales

Own Design/Manufacture Revenue Trend



Average annual compound growth rate of 14% to 2010 (own design/manufacture 16% from 2007)

Typical Product Life Cycle



- Substantial revenue annuity
- Design in cycle typically 18 months
- 2009 dip is due to market down turn and not typical
- Bodes well for future revenue growth

Outlook

- Good momentum in new program wins
- Record order book
- Trading continues to be positive
- Should produce improved revenue in the second half
- Well placed to produce above average revenue and earnings growth





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