



Interim Results 2008

31 July 2008

Laird
Value through Innovation

Results

- Further strong growth in revenues and earnings
- Revenue from continuing operations up 28% at £315.0 million
 - up 24% at constant x-rates
 - organic growth of 19% at constant x-rates
- Underlying profit* before tax from continuing operations up 17% at £34.5 million (up 33% at constant x-rates)
- Total underlying PBT* £34.5 million (2007, £34.0 million inc. Security Systems)
- Underlying EPS* from continuing operations up 22% at 15.9p
 - up 39% at constant x-rates
- Interim dividend increased by 10.5% to 4.0 pence

* before exceptionals, amortisation of acquired intangibles, deferred tax on acquired intangibles and goodwill, and fair valuing of financial instruments

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Highlights

- Further strong growth in handset antennae modules and actuation products
- Good growth in IT / datacom, consumer, telematics, WLAN and WISP
- Benefits from market and geographic spread, and customer positions
- Strong earnings growth, boosted by positive effects of operational gearing
- Margins affected by exchange rates and product mix, plus investment for growth with benefits still to come
- Increased investment in R&D and in new production equipment
- Chennai plant running, new Shenzhen plant, Reynosa expansion
- Strong cash flow: operating cash conversion after capex of 74%



Financial Results

Jonathan Silver

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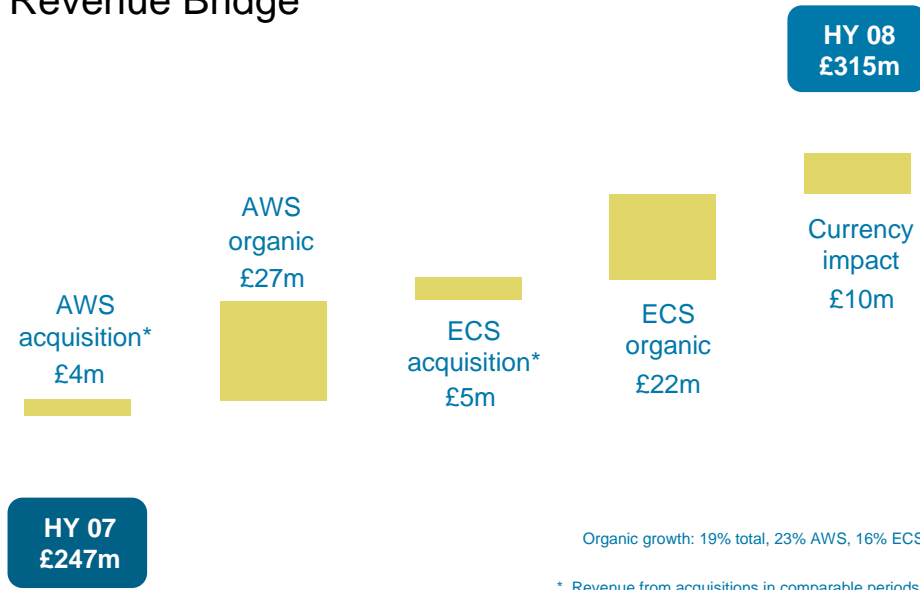
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Revenue & Profit – continuing operations

£ millions	Half Year to 30 June		Full Year 2007
	2008	2007	
Revenue	<u>315.0</u>	<u>246.7</u>	<u>564.3</u>
Operating profit	37.9	34.1	80.0
Finance costs	(3.4)	(4.5)	(7.6)
Underlying profit before tax*	<u>34.5</u>	<u>29.6</u>	<u>72.4</u>

* before exceptionals, amortisation of acquired intangibles, gain or loss on disposal of businesses, deferred tax on acquired intangible assets and goodwill, and fair valuing of financial instruments

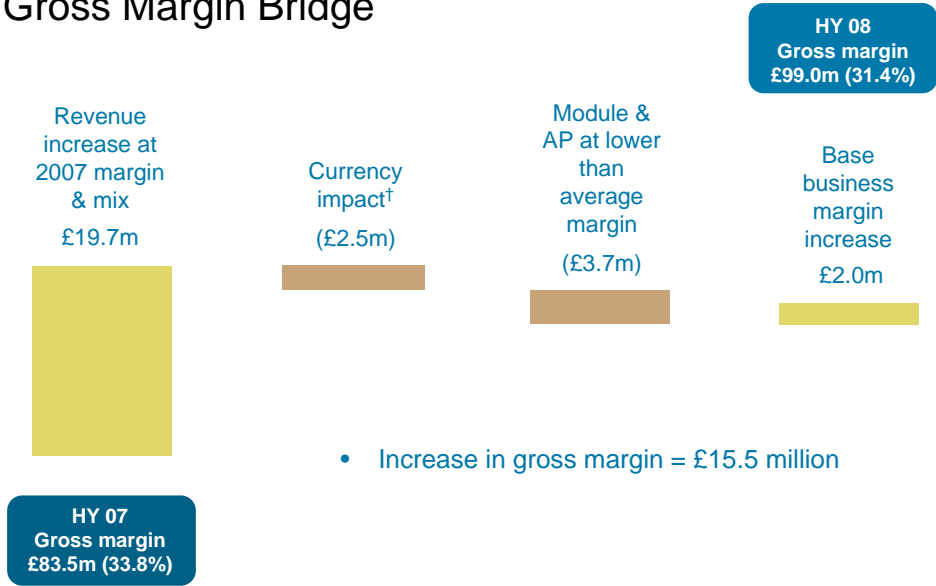
Revenue Bridge



Organic growth: 19% total, 23% AWS, 16% ECS

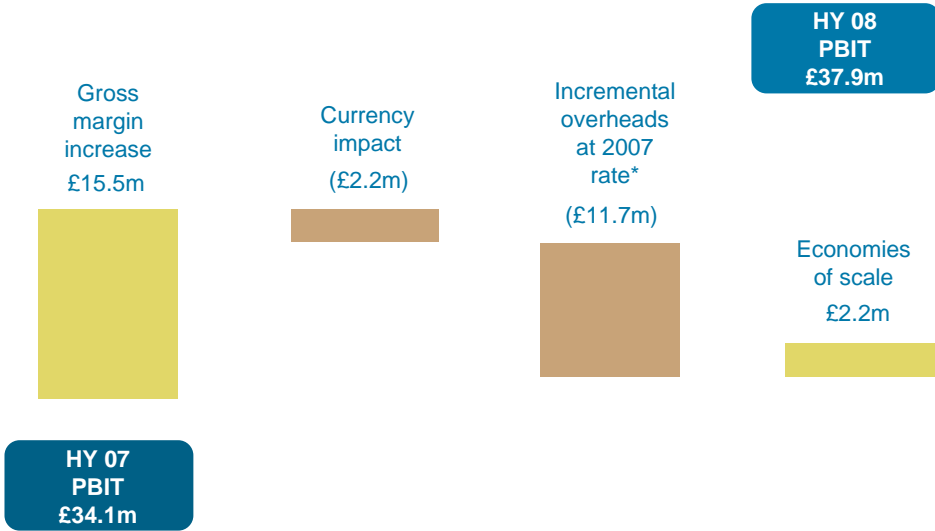
* Revenue from acquisitions in comparable periods: AeroComm (Jan-07), M2sys (Feb-07), Cushcraft (Feb-07), Ezurio (Feb-08)

Gross Margin Bridge



† higher costs than revenues in some appreciating currencies

Profit Bridge



* 20% x incremental revenue in constant currency of £58.0 million

Segmental analysis

£ millions	Actual 2008	2008 at 2007 x-rates	Actual 2007	Growth at constant x-rates
Antenna & Wireless Systems				
Revenue	147.4	143.0	112.0	28%
PBIT	13.7	16.6	12.1	37%
	9.3%	11.6%	10.8%	
Electronic Components & Systems				
Revenue	167.6	161.8	134.7	20%
PBIT	24.2	26.1	22.0	19%
	14.4%	16.1%	16.3%	
Total				
Revenue	315.0	304.8	246.7	24%
PBIT	37.9	42.7	34.1	25%
	12.0%	14.0%	13.8%	

* before exceptionals, amortisation of acquired intangibles, gain or loss on disposal of businesses, deferred tax on acquired intangible assets and goodwill, and fair valuing of financial instruments

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Product Mix & Gross Margin

£ millions	Half year to 30 June	
	2008	2007
Revenue	315.0	246.7
Cost of sales	(216.0)	(163.2)
	<u>99.0</u>	<u>83.5</u>
Gross margin	31.4%	33.8%
Selling, administration and other expenses	(45.5)	(38.3)
Research and development costs	(16.6)	(11.8)
Net capitalised development	1.0	0.7
	<u>37.9</u>	<u>34.1</u>
Net margin	12.0%	13.8%

- Particularly strong growth in products with higher bought-in material content
- Significant investment in infrastructure but reaping benefits of economies of scale
- Greater added value: earned more margin for every £ of labour and overhead

Cash Flow

£ millions	Half Year to 30 June		Full Year
	2008	2007	2007
Operating profit	37.9	34.1	80.0
Depreciation	5.5	4.8	10.4
Other and non-cash*	0.3	0.2	-
	43.7	39.1	90.4
Increase in working capital†	0.5	(8.3)	(25.6)
Net capital expenditure	(16.1)	(11.3)	(25.6)
Continuing operating cash flow	28.1	19.5	39.2
Discontinued operating cash flow	-	(6.6)	(6.6)
Total	28.1	12.9	32.6

* includes capitalised development, share based payments and gains / losses on asset disposals

† after adjusting for accruals on exceptional items of £3.4 million at 30 June 2008

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Cash Flow

£ millions	Half Year to 30 June		Full Year
	2008	2007	2007
Operating cash flow	28.1	12.9	32.6
Finance costs	(5.0)	(4.9)	(8.2)
Tax	(10.2)	(3.8)	(7.7)
Trading cash flow	<u>12.9</u>	<u>4.2</u>	<u>16.7</u>
Dividends	(14.0)	(113.6)	(120.0)
Acquisitions	(16.9)	(80.5)	(81.4)
Disposals	11.9	224.4	219.9
Exceptionals	(3.4)	(2.2)	(4.6)
Additional special pension contributions	-	(10.5)	(13.6)
Proceeds from issue of shares	0.9	3.2	3.2
Exchange on cash and borrowings	(0.8)	3.2	3.5
Other	0.4	-	-
	<u>(9.0)</u>	<u>28.2</u>	<u>23.7</u>

Balance Sheet

£ millions	30 June 2008	30 June 2007
Shareholders' equity	459.0	426.6
Net borrowings	94.4	80.9
Capital employed	<u>553.4</u>	<u>507.5</u>

Interest cover (based on PBIT)	11.1	7.6
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- Net borrowings ~ 1 x EBITDA

Tax, Earnings & Dividend

Pence per share	Half Year to 30 June		Full Year
	2008	2007	2007
Continuing underlying earnings*	15.9	13.0	33.1
Continuing underlying tax rate	18.3%	14.5%	14.9%
Dividend per share [†]	4.0	3.62	11.5

Average number of shares (million)	177.0	195.3	185.9
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- In the medium term, the underlying tax rate is expected to rise towards 20% to 22%

* before exceptionals, amortisation of acquired intangibles, gain or loss on disposal of businesses, deferred tax on acquired intangible assets and goodwill, and fair valuing of financial instruments

[†] excludes the special dividend of 50 pence per share paid in June 2007

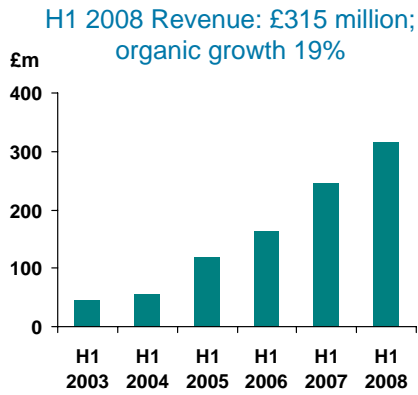


Business Review

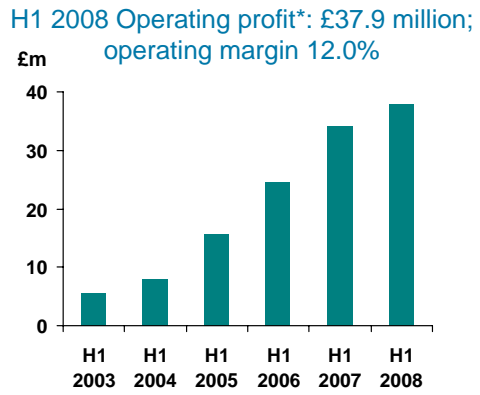
Peter Hill

“We provide specialist products and solutions for our customers that allow their own electronic devices to operate functionally, efficiently and cost effectively”

Continuing Growth in Revenues & Profits



Revenue CAGR = 48%



PBIT CAGR = 47%

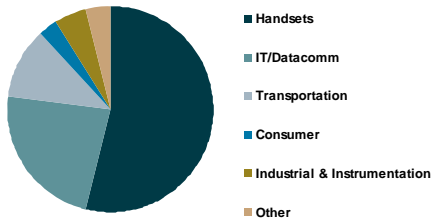
* before exceptionals and amortisation of acquired intangibles

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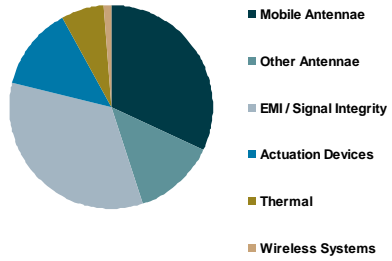


H1 2008 Revenue

H1 2008 REVENUE
BY MARKET SEGMENT



H1 2008 REVENUE
BY PRODUCT SEGMENT

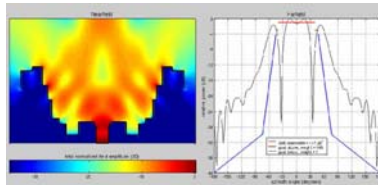


Revenue Growth Drivers

- Underlying market demand growth, including emerging markets
- Customers' need for our products continues to increase:
 - more EMI, more heat = more opportunities for us
 - increasing trend to wireless connectivity
 - changing designs and form factors
- Increasing penetration with new and existing customers
- Unique range of products and solutions:
 - ability to increase content and "value add" in a unit
 - ability to combine products and exploit convergence
- Ability to utilise our worldwide footprint to globalise product sales

Technology Leadership

- Maintaining leadership, with R&D spend up 41% on H1 2007, at £16.6 million
- Global skill base with 769 qualified engineers and technologists (Dec '07, 660)
- Industry leading position with 677 patents issued plus 576 pending (Dec '07, 610 and 506)
- Developed and released 39 new product platforms
- Corporate Research Labs established in Bangalore
- North American design centre established in Silicon Valley
- “Delivering value through innovation and technology”

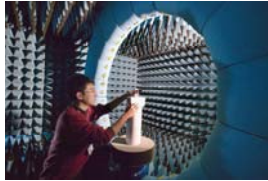


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Operational Excellence

- New Chennai plant officially opened in April 2008
- Second new factory in Shenzhen; Mexico expansion
- Capital investment grew 43% to £16.2 million (5.1% of sales). Majority of spend in equipment for new handset programmes (H2 2008 & 2009 benefits)
- Continuing to reduce the cost base: maintain low cost producer status
- Driving Continuous Improvement and supply chain benefits



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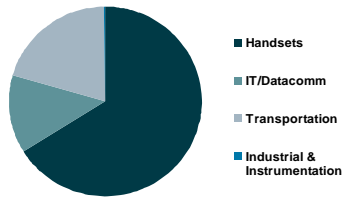


Antenna & Wireless Systems Division

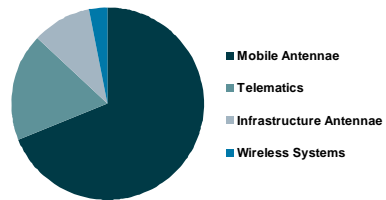
“We design, develop and supply components and systems that provide and enhance connectivity, helping people and machines to communicate better and faster, by voice or with data”

Antenna & Wireless Systems

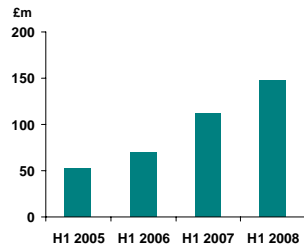
H1 2008 REVENUE
BY MARKET SEGMENT



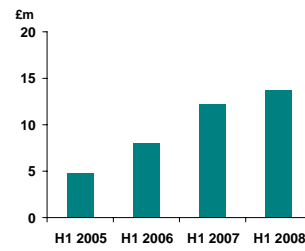
H1 2008 REVENUE
BY PRODUCT SEGMENT



REVENUE



OPERATING PROFIT



Antenna & Wireless Systems

- Organic revenue growth 23% in H1 2008 at constant x-rates
- Further strong growth in cellular antennae modules and sub-assemblies
- Benefits from leading position with Nokia: strong sales growth
- Sales growth at LG, down at Motorola and Sony Ericsson
- Good growth from increased SDAR penetration in Telematics
- WLAN and WISP growth in Infrastructure Antennae
- Ezurio acquisition, in February 2008, now integrated



Mobile Antennae



Infrastructure Antennae



Telematics



Wireless Systems

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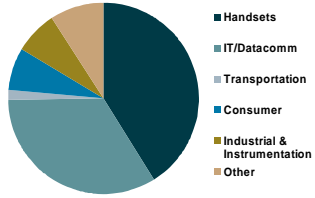


Electronic Components & Systems Division

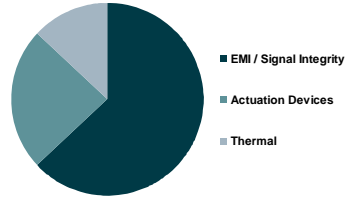
"We design, develop and supply the high precision, performance critical components and systems that make electronic devices function and connect effectively, whether for voice or visual communication or for high quality data storage and transmission"

Electronic Components & Systems

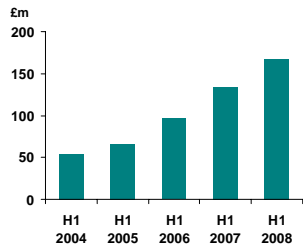
H1 2008 REVENUE
BY MARKET SEGMENT



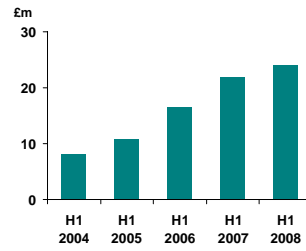
H1 2008 REVENUE
BY PRODUCT SEGMENT



REVENUE



OPERATING PROFIT



Electronic Components & Systems

- Organic revenue growth 16% in H1 2008 at constant x-rates
- Further strong growth in actuation devices
- Good growth for EMI and thermal into IT and Datacomm sectors
- Handset EMI growth at Nokia and first penetration at Samsung
- EMI successes in flat screen TVs and games consoles
- Good thermal products growth across all sectors



Thermal Management



Actuation Devices



Signal Integrity



EMI



Conclusions & Outlook

Conclusions & Outlook

- Further strong growth in revenues and earnings in H1
- Well positioned in high growth market segments
- Customers' need for our products continues to increase
- Investing in technology to maintain leadership
- Strong balance sheet allows investment for growth
- Will continue to grow organically and by acquisition
- Business resilient in an uncertain economic environment
- Well positioned to make further progress



Technology for a
connected world.

Laird
Value through Innovation



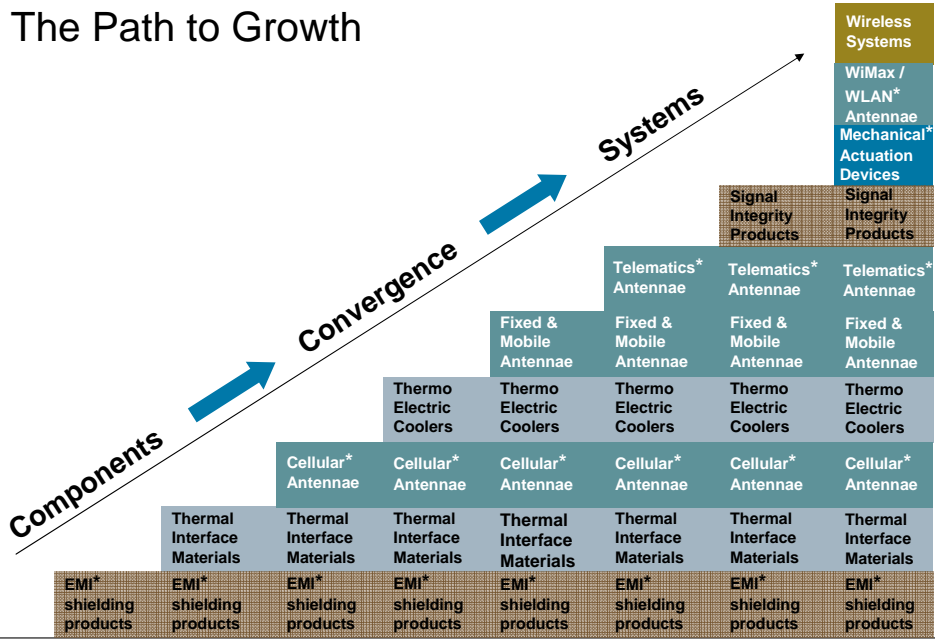
Appendix

What We Do

- Global leader in the suppression or prevention of EMI, allowing devices to function effectively
- Global leader in mobile handset antennae, modules and sub-assemblies, improving transmission and reception
- Leader in actuation products, improving the physical functionality and versatility of mobile handsets
- Leader in thermal management products, removing heat from electronic devices and allowing them to function effectively
- Leader in infrastructure, Satellite Radio and other wireless antennae and systems, optimising voice, visual and data transmission and storage

"We provide technology for an increasingly connected world"

The Path to Growth



2000

* Global leader

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2007



Organic growth

£ millions	Antenna & Wireless Systems	Electronic Components & Systems	Total
2007 revenue	112.0	134.7	246.7
Adjustment for acquisitions in 2007	4.3	4.9	9.2
2007 pro-forma revenue	<u>116.3</u>	<u>139.6</u>	<u>255.9</u>
2008 revenue	147.4	167.6	315.0
Adjustment to restate at constant exchange rates	(4.4)	(5.8)	(10.2)
2008 revenue at 2007 exchange rates	<u>143.0</u>	<u>161.8</u>	<u>304.8</u>
Organic growth	<u>23%</u>	<u>16%</u>	<u>19%</u>

Exchange rates

£ millions	Average			Closing		
	Half year to 30 June		Full year 2007	At 30 June		At 31 December 2007
	2008	2007		2008	2007	
Czech Koruna	32.58	41.75	40.60	30.24	42.69	36.20
Euros	1.29	1.48	1.46	1.26	1.49	1.36
Japanese Yen	207.16	236.81	235.64	211.39	247.77	222.38
Renminbi ("RMB")	13.95	15.21	15.22	13.67	15.28	14.54
Swedish Krona	12.12	13.66	13.51	11.91	13.76	12.87
US Dollars	1.97	1.97	2.00	1.99	2.01	1.99