
Edwards Group plc

Summary mid-year update for the six months ended 30 June 2011

The Board of Directors of Edwards Group plc present its summary mid-year update for the business for the six months ended 30 June 2011. This information is extracted from the unaudited management accounts.

The Group is a global industrial technology company and a leading manufacturer of sophisticated vacuum products and abatement systems and a leading provider of related value-added services. Our vacuum products include a broad range of dry pumps, turbomolecular pumps and other vacuum pumps used in specific manufacturing processes. Our abatement systems include stand-alone and customized solutions which integrate vacuum and exhaust management technologies. Our value-added services include equipment monitoring, repair and overhaul, remanufacturing, service upgrades and provision of spare parts.

Trading Update

The first half of 2011 has seen the Group continue to drive strong momentum with sales growth achieved in all market sectors.

Edwards serves four major market sectors: Semiconductor, Emerging Technologies, General Vacuum and Service

Semiconductor revenue for the six months ended 30 June 2011 has increased from the comparable period in 2010. This increase was principally due to increased semiconductor demand being driven by PC/tablet shipments and mobile communications, as well as advanced technology node changes (300mm 20nm to 45nm) that drove a significant increase in customer investment and shipments to a significant new customer, Global Foundries.

The Emerging Technology sectors, which comprises vacuum and abatement equipment supplied to Flat Panel Display (FPD), LED and Solar Panel manufacturers, has also shown growth from the comparable period in 2010. This increase was principally due to increased sales in China and strong growth in the FPD and Solar PV sub-sectors as key customers continued to invest in next generation FPD fabs, in new technologies such as OLED and LTPS and additional solar manufacturing capacity. Additional sales to LED manufacturers were achieved as demand increased for our pump and abatement systems for high brightness LED production.

General Vacuum revenue for the six months ended 30 June 2011 has grown from the comparable period in 2010. This increase was principally due to the increase in market sector demand and growth from the introduction of our new dry GXS and CXS pumps, which resulted in significant customer wins in the chemical sectors in Europe and in Asia, as well as continued sales gains in power and steel degassing.

Service revenue for the six months ended 30 June 2011 has also grown from the comparable period in 2010. This increase was principally due to increased demand for services resulting from fab utilization and the results of our investment in our Service marketing initiatives and capabilities in each of the principal geographic regions that we serve.

In the first half of 2011 we amended and extended our First Lien Credit Agreement until May 2016, repaid our existing Second Lien Debt and Vendor Loan Note and we declared and paid an interim preference dividend to the holders of our preference shares.

Summary Group Income Statement

	Half year ended 30 June ^(a)	
	H1 11 £m	H1 10 £m
Net sales	367.8	298.1
Growth % from H1 10	23.4%	
Operating profit	64.1	38.6
Profit before taxation	58.3	18.7
EBITDA	94.7	59.8
EBITDA %	25.7%	20.1%

Notes

- (a) Unaudited consolidated financial results for the half year ended 30 June
- (b) EBITDA and EBITDA margin are non-IFRS-EU measures. The Group has included these measures in the Interim Financial Statements because they are used by the Group in managing its business performance however, the figures disclosed herein may not be comparable to similarly titled measures disclosed by other companies as non-IFRS-EU measures are not uniformly defined.

Summary Group Balance Sheet

	Jun 11 ^(b) £m	Dec 10 ^(a) £m
Cash and cash equivalents	70.1	161.0
Total current assets (including cash)	342.8	383.1
Total assets	942.0	959.8
Current liabilities	203.2	247.1
Total liabilities (including term debt)	765.7	753.3
Shareholders equity	176.3	206.5
Total liabilities and shareholders equity	942.0	959.8

Notes

- (a) Audited and published consolidated group balance sheet
- (b) Unaudited consolidated group balance sheet

Investments and Operational Improvements

We are currently completing a significant restructuring of our operational footprint, including opening new plants in the Czech Republic and South Korea, with the goal of streamlining our business processes and moving operations closer to customers. We initiated our restructuring program in 2007, and, as a result, we have reduced overhead, relocated and consolidated manufacturing and remanufacturing operations and increased sourcing from lower-cost countries. We have concentrated our manufacturing sites around the world into half the number of locations and have extended our remanufacturing and service capability to serve our customers better worldwide. The first of the new plants is at Lutin in the Czech Republic which is our first volume pump manufacturing facility in mainland Europe. The 20,000 square meter site is our global manufacturing center for vacuum pumps for the industrial, pharmaceutical, chemical and scientific markets. In Cheonan in South Korea, our new state-of-art 26,000 square meter advanced manufacturing and assembly facility serves our Semiconductor and Emerging Technology customers.

The relocation of manufacturing has coincided with increased sourcing from low-cost countries. We are also restructuring our supply chain to ensure that our supplier base is located where it is most cost efficient, generally close to new manufacturing sites, and we are optimizing supply chain management through the completion of the implementation of a SAP system.

Corporate Social Responsibility

Edwards' aim is to be a world leader in managing environment, health and safety ('EHS') risks. The business sets high standards and strives to eliminate any foreseeable hazards that may result in EHS loss, including property damage, environmental exposure and personal injury or illness. The Board of Directors of Edwards Group plc and the Executive Management Board monitors compliance with environmental, health and safety and employment responsibilities.

There are two main ways in which Edwards impacts the environment, firstly making products more efficient and effective at what they do, and secondly managing the Group's impact on the environment.

Edwards cares about sustainability and the Group is working to ensure the things we do, and the way we do them, become more sustainable. Several major step changes have been made in product design driven by environmental considerations. Efficient use of resources is crucial in product design and development, lowering costs of ownership for customers with particular emphasis on reducing power and water consumption.

To ensure that all employees are aware of EHS policy and its requirements, safety forms an integral part of the induction process for all new employees. The policy is also posted in prominent locations in all Edwards facilities.

Safety management is enabled through a well developed global intranet-based EHS Management System. The Management System incorporates the principles of OHSAS 18001 (Occupational Health and Safety Assessment Series) and HS (G) 65 (Successful Health & Safety Management produced by the UK Health & Safety Executive).

Edwards is concerned in a number of ways with the communities around the world in which the Group does business. The Group's community strategy is delivered through:

- Running programmes which reflect the diversity of communities in which we operate.
- Encouraging employees to be involved in voluntary work in the community.
- Building local education and training links particularly in deprived areas.
- Partnering with community organisations and charities.
- Encouraging environmental sustainability on a corporate, community and individual level.

Edwards has strong environmental systems in place evidenced by:

- Six of our principal manufacturing and remanufacturing facilities certified to ISO 14001 and eight certified to ISO 9001.
- An annual environmental survey being completed on all sites.
- Being a member of SEMI Global Care™, a semiconductor industry program encouraging improvement and excellence in safety management.



- Participating in the Mayday network, the UK's largest group of businesses committed to taking action on global climate change.
- Being a member of the Electronic Industry Citizenship Coalition (EICC), an electronics industry scheme to improve the social, economic, and environmental conditions of the industry and its supply chain.