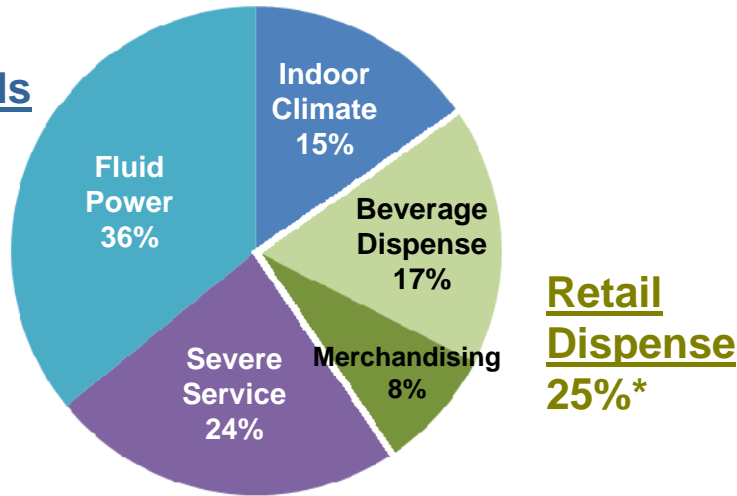


IMI plc
Capital Markets Visit to Brno
October 2010

Martin Lamb
Chief Executive

IMI Today

Fluid Controls
75%*



- Leading market positions in global niches
- Key partner to over 100 global blue chip customers
- Highly differentiated and customised product and system offerings
- Strong and dependable aftermarket revenues
- Highly developed low cost infrastructure (manufacturing and procurement)
- Attractive and high growth end market exposure

	2001	2010
% of revenue from customised or highly engineered products	20%	70%
% of revenue from new products	4%	18%
% of revenue from the aftermarket	<15%	>35%
% of low cost manufacturing	<5%	>35%

*% of H1 revenues 2010

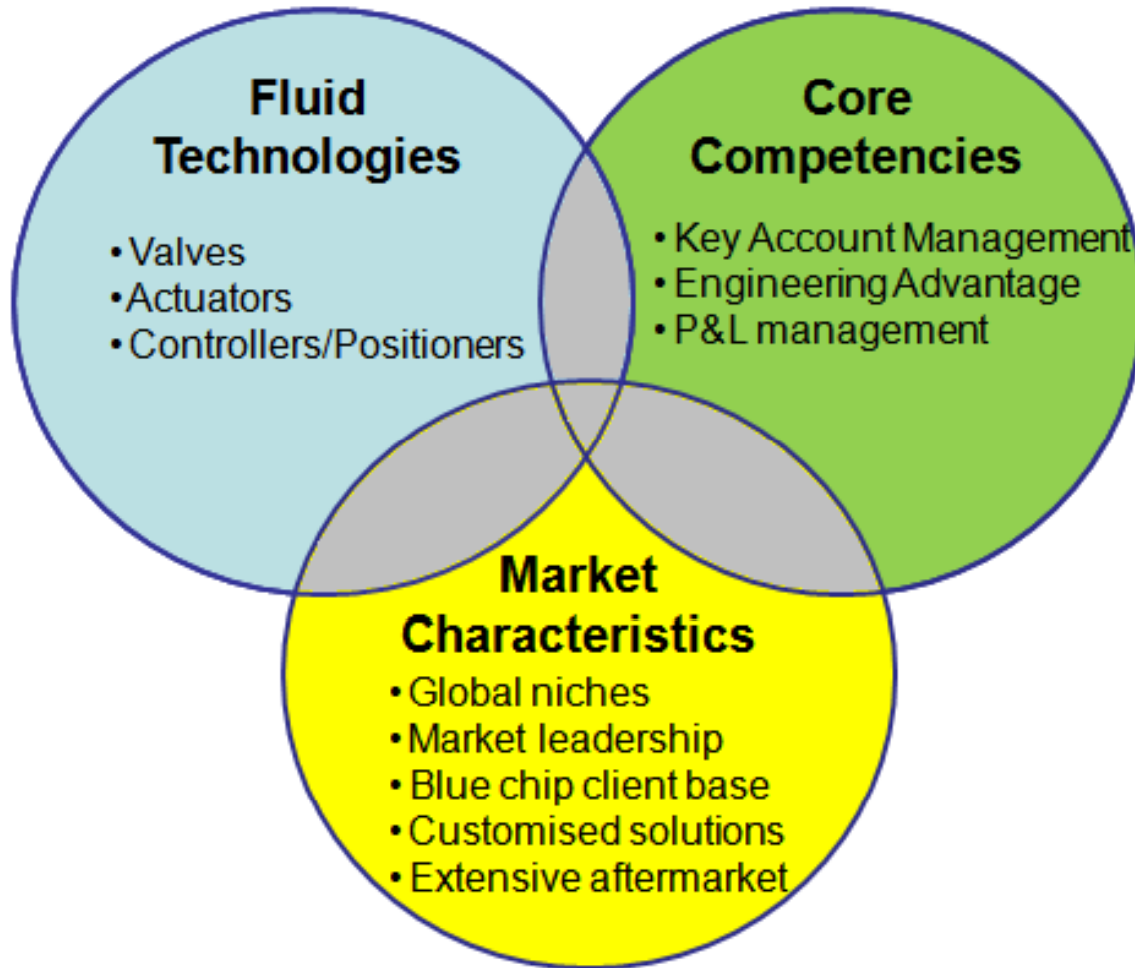
Fluid Controls Themes

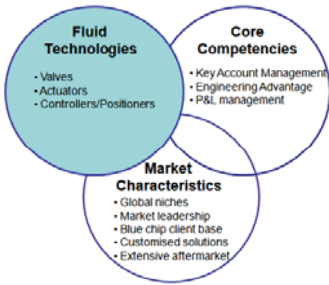
- Leading market positions in global niches
 - Key differentiators
- High growth end markets
 - Drivers for growth and opportunities to increase exposure
- Importance of aftermarket
 - Taking full advantage of the opportunities
- Key drivers for margin improvement
 - New products, differentiation, LCM/LCP
- Driving sustainable improvement
 - Investment in core competencies

Agenda



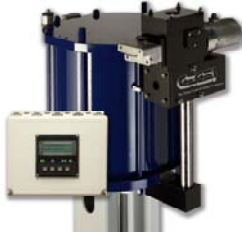






- Shared fundamentals
- Growth drivers
- Margin drivers
- Financial metrics
- Key strategic initiatives

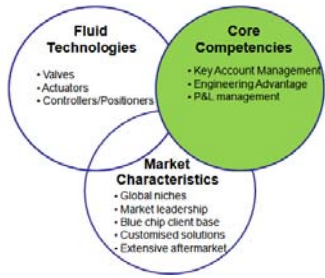
Fluid Controls – Shared Fundamentals











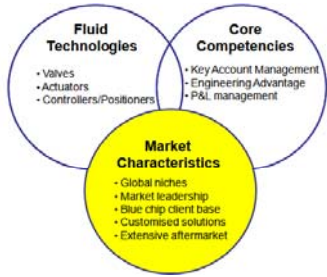
Shared Fundamentals: Fluid Technologies

	Valves	Actuators	Controllers / Positioners	Fluid Medium	Orifice Size	Operating Pressure
Severe Service				<ul style="list-style-type: none"> • Steam • Gas • Water 	75mm to 3000mm	to 600 bar
Fluid Power				<ul style="list-style-type: none"> • Air • Exhaust Gas • Reagents • Oxygen 	0.2mm to 100mm	to 40 bar
Indoor Climate				<ul style="list-style-type: none"> • Water 	5mm to 400mm	to 25 bar



Shared Fundamentals: Core Competencies

	Key Account Management	Engineering Advantage	P&L Management
Severe Service	 <p>The "Valve Doctors"</p> <p>We Solve Control Valve Problems™</p> <ul style="list-style-type: none"> • 30 global KAMs 	<ul style="list-style-type: none"> • Critical Applications • 275 engineers worldwide 	<ul style="list-style-type: none"> • 14 P&L leaders • IMI Leaders Boot Camp <i>Leading The IMI Way</i>
Fluid Power	<ul style="list-style-type: none"> • Sector focus • 210 KAMs • Norgren University 	<ul style="list-style-type: none"> • 380 engineers worldwide  <p>ENGINEERINGADVANTAGE</p>	<ul style="list-style-type: none"> • 20 P&L leaders • IMI Leaders Boot Camp <i>Leading The IMI Way</i>
Indoor Climate	<ul style="list-style-type: none"> • Pull model • 60 Hydronic Gurus • Seminars for >60,000 end customers in 2010 	<ul style="list-style-type: none"> • Hydronic College • Engineering Solutions Centres • Customer Insight Council • 120 engineers worldwide 	<ul style="list-style-type: none"> • 8 P&L leaders • IMI Leaders Boot Camp <i>Leading The IMI Way</i>

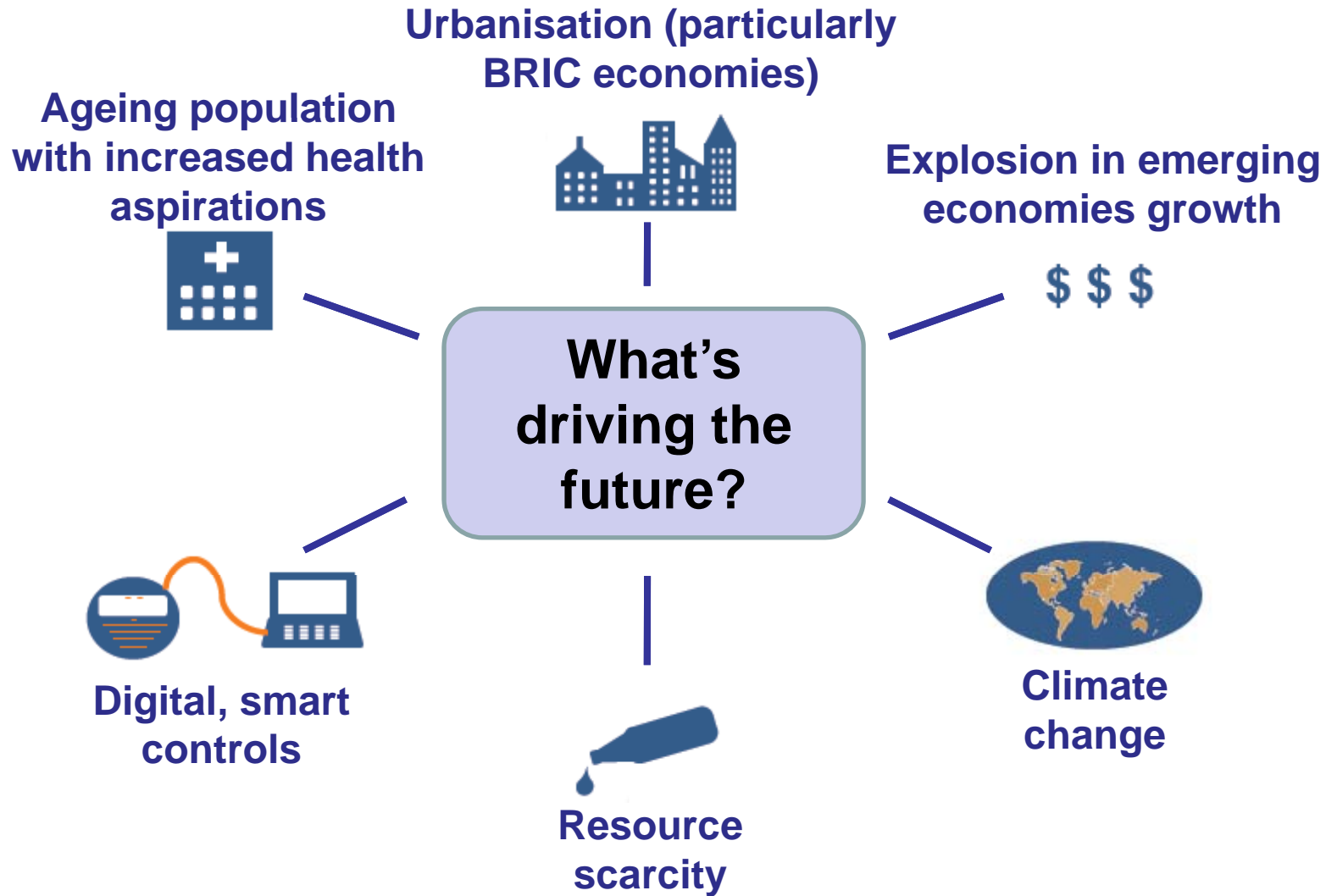


Shared Fundamentals: Market Characteristics

	Niche Global Markets	Market Share*	Top 20 Customers % of Revenue	Differentiated or Customised Solutions % of Revenue	Aftermarket % of Revenue
Severe Service	<ul style="list-style-type: none"> • LNG • Nuclear • Fossil Power 	<ul style="list-style-type: none"> • 20-25% • 10-15% • 25-30% 	30%	85%	40%
Fluid Power	<ul style="list-style-type: none"> • Commercial Vehicles • Life Sciences • Food & Beverage • Energy • Rail 	<ul style="list-style-type: none"> • 20-25% • 10-15% • 10-15% • 10-15% • 10-15% 	20%	60%	33%
Indoor Climate	<ul style="list-style-type: none"> • Hydronic Balancing • Room Temperature Control • Hydronic Conditioning 	<ul style="list-style-type: none"> • 25-30% • 20-25% • 15-20% 	35%	60%	65%

* IMI management estimates - market share within addressable markets

Growth Drivers



Growth Drivers: Fluid Controls Trends

	High Growth End Markets	Key Trends / Market Drivers	Areas of Focus
Severe Service	Nuclear	<ul style="list-style-type: none"> Clean energy / energy security Growing government support / greater public acceptance of nuclear Proven technology for large scale power generation 	<ul style="list-style-type: none"> 200 new reactors next 15 years with focus on emerging markets - China/India/Russia Growth rate determined by financing, supply chain capacity and capability
	Oil & Gas	<ul style="list-style-type: none"> Production shifting to offshore supplies Growth in LNG for gas transportation/energy security Demand driving development of "sour" gas deposits Plant output capacities increasing 	<ul style="list-style-type: none"> Subsea technology development Petrochem demand from emerging markets Shale gas potential game changer Increasing technology requirements around valve diagnostics, actuation and controls
Fluid Power	Commercial Vehicles	<ul style="list-style-type: none"> Emissions control/ regulations (NOx, PM) Increased truck production in BRICs Increased outsourcing LCM's/increased ground transportation 	<ul style="list-style-type: none"> Fuel economy - value propositions Cost efficient solutions for emissions legislation Norgren branding for BRIC exporters
	Life Sciences	<ul style="list-style-type: none"> Ageing population Increased health care needs/ expenditure Need for shorter patient diagnostics/treatment Mobile/smaller medical devices 	<ul style="list-style-type: none"> Attractive applications <ul style="list-style-type: none"> Respiratory Micro dosing Genotyping
	Rail	<ul style="list-style-type: none"> Increased government spending Preferred shipping method (cost, carbon) 	<ul style="list-style-type: none"> Large opportunity for aftermarket sales Next generation transport BRIC's
	Automation	<ul style="list-style-type: none"> Scarcity of low cost labour in western economies Labour inflation low cost economies Increased precision & quality control 	<ul style="list-style-type: none"> Preferred sector food & beverage packaging
Indoor Climate	Efficient Buildings	<ul style="list-style-type: none"> Increasing energy efficiency awareness Government regulations / legislation Increasing system complexity Increasing renovation / aftermarket 	<ul style="list-style-type: none"> Emerging market development Market education opportunities Market trend from air to water Increased legislation/commercial value propositions

Growth Drivers: Favourable End Markets Exposure

	Clean Fuel	Energy Efficiency	Emissions Legislation / Pollution Control	Environment / Health	Automation / Labour Efficiency	* Estimated exposure to high growth markets GDP ++
Severe Service	✓✓✓	✓✓	✓✓	-	-	75%
Fluid Power	✓	✓	✓✓	✓✓	✓✓✓	55%
Indoor Climate	-	✓✓✓	✓	✓✓	-	80%

* % of new equipment revenue (excludes aftermarket)

Growth Drivers: Emerging Market Exposure

	North America	Western Europe	UK	Other Developed Economies	Emerging Markets
Severe Service	19%	30%	4%	11%	36%
Fluid Power	23%	51%	8%	4%	14%
Indoor Climate	5%	71%	6%	1%	17%
<i>Fluid Controls Group</i>	<i>17%</i>	<i>47%</i>	<i>6%</i>	<i>6%</i>	<i>24%</i>

Source: Year ended December 2009

Margin Drivers

	% Revenue from New Products	% Customised Products	% Low Cost Manufacturing	% Low Cost Procurement
Severe Service	Current: 16% Target: 20%	Current: 85% Target: 90%	Current: 45% Target: 70%	Current: 25% Target: 65%
Fluid Power	Current: 12% Target: 20%	Current: 60% Target: 80%	Current: 35% Target: 50%	Current: 25% Target: 45%
Indoor Climate	Current: 14% Target: 20%	Current: 60% Target: 65%	Current: 30% Target: 45%	Current: 30% Target: 45%

Fluid Controls – Key Financial Metrics

	Return on Sales H1 2010	ROIC ¹ (Post Tax) H1 2010	Underlying organic revenue growth 2005 to 2009 ²	Average Cash Conversion 2005 to 2009
Severe Service	18%	20%	15%	89%
Fluid Power	15%	13%	4%²	98%
Indoor Climate	22%	17%	5%	108%
<i>Fluid Controls Group</i>	<i>17%</i>	<i>16%</i>	<i>7%</i>	<i>97%</i>

¹ Segmental operating profit after restructuring costs and other income, taxed at the effective tax rate divided by net assets adding back: pension deficit, net debt, goodwill previously written off to reserves and accumulated amortisation and impairment of acquired intangible assets

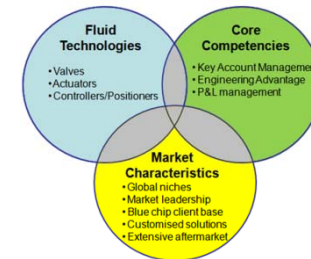
² IMI estimate of underlying organic revenue growth for last five years using line of best fit analysis and adjusting Fluid Power for exceptional events of 2009

Key Strategies

	Revenue Growth	Margins	M&A
Severe Service	<ul style="list-style-type: none"> • Develop “Core” markets: <ul style="list-style-type: none"> – Nuclear in emerging markets – Upstream O&G/LNG – Fossil beyond turbine bypass – Aftermarket development • Enter “Adjacent” markets: <ul style="list-style-type: none"> – Downstream Petrochemical – Offshore/subsea 	<ul style="list-style-type: none"> • Increase aftermarket mix/separate P&L • Reduce control valve complexity • Streamline business processes (ERP, project execution, supply chain, shared services) • Increase LCM / LCP 	<ul style="list-style-type: none"> • Nuclear platform extension • Petrochemical/offshore O&G • Fossil power technology • Automation technology • Critical AFM services • Emerging markets JVs
Fluid Power	<ul style="list-style-type: none"> • Grow Sectors to >55% • Automate aftermarket (Norgren Express) 	<ul style="list-style-type: none"> • Accelerate Engineering Advantage • Optimised pricing • Increase LCM / LCP 	<ul style="list-style-type: none"> • Sector growth <ul style="list-style-type: none"> - Life Sciences - Truck/rail emerging markets
Indoor Climate	<ul style="list-style-type: none"> • Exploit legislation • Invest in seminars • Enter control valve market <ul style="list-style-type: none"> – New product development 	<ul style="list-style-type: none"> • Higher margin new products • Expand solutions centres • Increase LCM / LCP 	<ul style="list-style-type: none"> • Hydronic conditioning • Air market adjacencies • Control valves technologies

Summary

1. Highly cohesive group with shared fundamentals
2. Significant exposure to high growth end markets
3. Continuing margin momentum
4. Long term sustainability



	Clean Fuel	Energy Efficiency	Emissions Legislation / Pollution Control	Environment / Health	Automation / Labour Efficiency	Estimated exposure to high growth markets: GDP ++
Severe Service	✓✓✓	✓✓	✓✓	-	-	75%
Fluid Power	✓	✓	✓✓	✓✓	✓✓✓	55%
Indoor Climate	-	✓✓✓	✓	✓✓	-	80%

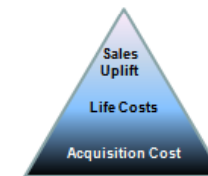
	% Revenue from New Products	% Customised Products	% Low Cost Manufacturing	% Low Cost Procurement
Severe Service	16% <small>Target 20%</small>	85% <small>Target 90%</small>	45% <small>Target 70%</small>	25% <small>Target 65%</small>
Fluid Power	12% <small>Target 20%</small>	60% <small>Target 80%</small>	35% <small>Target 50%</small>	25% <small>Target 45%</small>
Indoor Climate	14% <small>Target 20%</small>	60% <small>Target 65%</small>	30% <small>Target 45%</small>	30% <small>Target 45%</small>



IMI Leaders Boot Camp
Leading The IMI Way



KAM Academy
supporting growth



ENGINEERINGADVANTAGE



We Solve Control Valve Problems*