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XP Power Interim Results

Six months ended 30 June 2008

Highlights

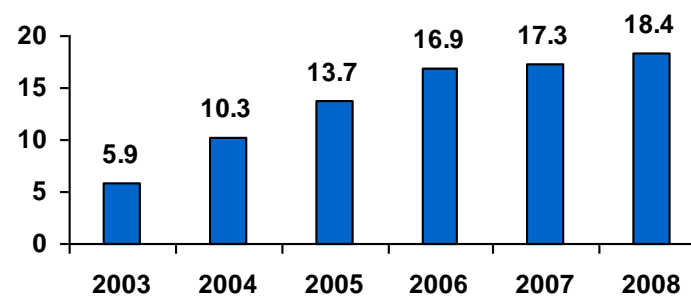
- Sequential earnings growth of 30% over the second half of 2007 (18.4 pence per share versus 14.1 pence per share)
- Interim dividend increased by 11% to 10p per share (ninth successive increase: 75% increase in 54 months)
- Own brand business is now 77% of revenue (2007: 73%)
- Positive book to bill (1.09)
- Acquired remaining 50% of the Kunshan factory
- New Singapore Design Centre opened



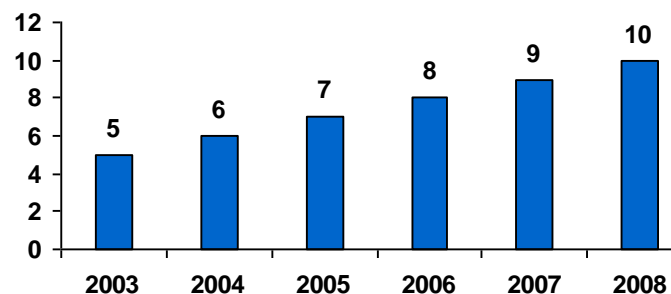
Financial Highlights

<u>£ Millions</u>	<u>2008</u>	<u>2007</u>	<u>Change</u>
Own brand revenue	26.7	24.9	+ 7%
Third party revenue	8.1	9.3	- 13%
Total Revenue	34.8	34.2	+ 2%
Gross margin	14.9	14.0	+ 6%
Gross margin %	42.8%	40.9%	+ 1.9 points
Profit before tax (clean)	4.4	4.4	-
Basic earnings per share	29.0p	7.4p	+292%
Adjusted diluted earnings per share	18.4p	17.3p	+ 6%
Interim dividend per share	10.0p	9.0p	+ 11%

First Half Adj/Dil EPS



Interim Dividend Per Share



Income and Expenditure Statement

	First Half 2008		Second Half 2007		First Half 2007	
	£ M	%	£ M	%	£ M	%
Revenue	34.8	100%	32.1	100%	34.2	100%
Gross margin	14.9	42.8%	14.0	43.6%	14.0	40.9%
Development cost (Gross)	1.3	3.7%	1.5	4.7%	1.2	3.5%
Capitalised development	(0.3)	(0.9%)	(0.5)	(1.6%)	(0.4)	(1.2%)
Development cost (Net)	1.0	2.8%	1.0	3.1%	0.8	2.3%
Operating expenses	8.9	25.6%	8.8	27.4%	8.0	23.3%
Other operating profit/Reorganisation costs	(2.4)	(6.9%)	0.1	0.3%	2.3	6.7%
Amortisation	0.1	0.3%	0.2	0.6%	0.1	0.3%
Operating profit	7.3	21.0%	3.9	12.1%	2.8	8.2%
Net interest expense	0.9	2.6%	0.9	2.8%	0.8	2.3%
Profit before tax	6.4	18.4%	3.0	9.3%	2.0	5.8%
Pre tax clean (1)	4.4	12.6%	3.3	10.3%	4.4	12.9%
Adjusted diluted earnings per share (2)	18.4p		14.1p		17.3p	

(1) Pre tax clean = Profit before tax plus reorganisation costs (2007 only), plus amortisation less non cash foreign exchange gains (2008 only)

2) Adjusted for reorganisation costs (2007 only), amortisation and non cash foreign exchange gains (2008 only)

Summary Balance Sheets

£ Millions

June 2008 (unaudited)

December 2007

June 2007 (unaudited)

Non-current assets

Goodwill	30.2	29.6	29.9
Other intangible assets	3.3	3.2	2.9
Property plant and equipment	4.2	3.4	3.3
Other non-current assets	3.2	3.5	3.2
Total non-current assets	40.9	39.7	39.3

Current assets

Inventories	12.3	10.5	10.5
Receivables	13.4	13.2	13.2
Cash and derivatives	4.0	3.6	3.8
Total current assets	29.7	27.3	27.5

Current liabilities

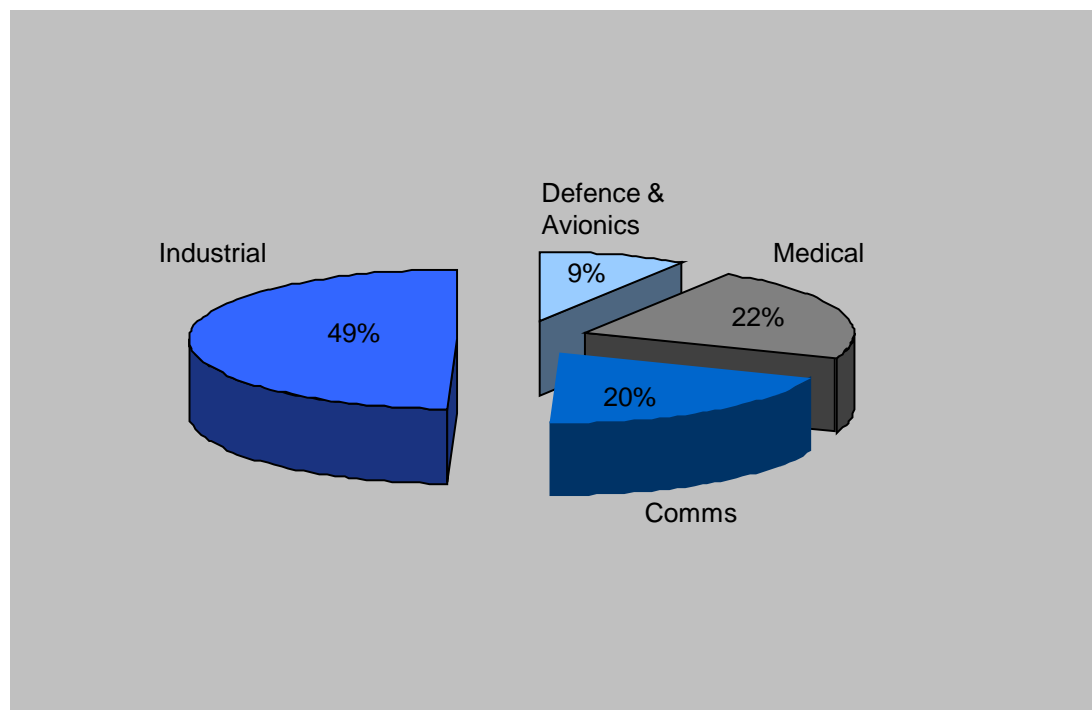
Bank loans	3.2	2.7	3.0
Other payables	11.9	10.5	10.1
Total current liabilities	15.1	13.2	13.1

Deferred consideration	2.4	2.3	2.6
Bank loans	21.0	20.3	20.3
Deferred taxes	1.5	1.4	1.7
Net assets	30.6	29.8	29.1

Cash Flow Statements

£ Millions	Six months to 30 June 2008	Six months to 30 June 2007
Operating profit (excluding associates)	7.3	5.1
Exceptionals (non cash FX/reorganisation)	(2.2)	(2.3)
Working capital movements	(0.6)	(0.2)
Net cash flow from operating activities	4.5	2.6
Investing activities		
Net capital expenditures	(1.2)	(0.4)
Product development capitalised	(0.3)	(0.4)
ESOP loans repaid	0.3	0.2
Acquisition of associate / subsidiary	(1.2)	(1.4)
Net cash used in investing activities	(2.4)	(2.0)
Financing activities		
Interest paid	(0.8)	(0.8)
Equity dividends paid	(2.1)	(1.9)
Sales of shares	-	0.4
Increase / (decrease) in bank loans	0.7	5.9
Increase / (decrease) in bank overdrafts	0.5	(4.5)
Net cash used in financing activities	(1.7)	(0.9)
Net (decrease) / increase in cash	0.4	(0.4)
Cash at the end of the period	4.0	3.8

Industry Sector Split



Industry sector split remains stable and diversified

Major Customers



Market Data

	Merchant (excluding consumer)	Mid-tier	XP Share
Asia	\$3.4Bn	\$0.5Bn	1%
Europe	\$1.8Bn	\$0.6Bn	10%
North America	\$3.8Bn	\$1.4Bn	5%
Total	\$9.0Bn	\$2.5Bn	6%

Kunshan – New Factory



Product Development - Drivers

- Electronics pervasive
- Energy Efficiency becoming more important
 - Energy Star, California Energy Commission
 - New USA legislation from 1 July 2008
 - European directive expected to become effective this year
- General trend for companies to move away from custom power supplies to standards where they are able

These factors favour our business model

- Singapore design centre started June 2008

New Products – ECL 25

- Smallest 25W power supply in the world!
- Three mechanical formats
- Class II earth
- High peak load capability



New Products – ECM140/CLC175

- High efficiency design
- IT, Industrial and Medical safety approvals
- 120/148 convection/forced cooled rating
- 175Watt model for Comms
- Some exciting design wins!



Summary

- Expansion of manufacturing capacity under way
- Expansion of product development with the opening of the Singapore Design Centre
- Own brand business is now 77% of revenue (2007: 73%)
- Interim dividend increased to 10p per share (2007: 9p)
- Sequential earnings growth of 30%
- Continue to strengthen our position in blue chip companies in high growth rate markets





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