

Cosalt plc

Providing critical safety equipment for hostile environments

Results for the 52 weeks to 26 October 2008

Overview

Mark Lejman, Chief Executive

Cosalt today

- All legacy businesses exited
 - Cost will deliver clear long-term benefits
- Strengthened management structure
- Wholly focused on providing critical safety equipment across two key segments:
 - Offshore (oil and gas)
 - Marine (commercial and cruise)
- Markets worldwide driven and underpinned by regulation and legislation
 - Non-cyclical businesses
- Business performing...more to come
 - Margin improvement to 9% from 4%
- Banking facilities increased and extended
- Reviewing optimal long-term financing structure to facilitate successful delivery of strategy

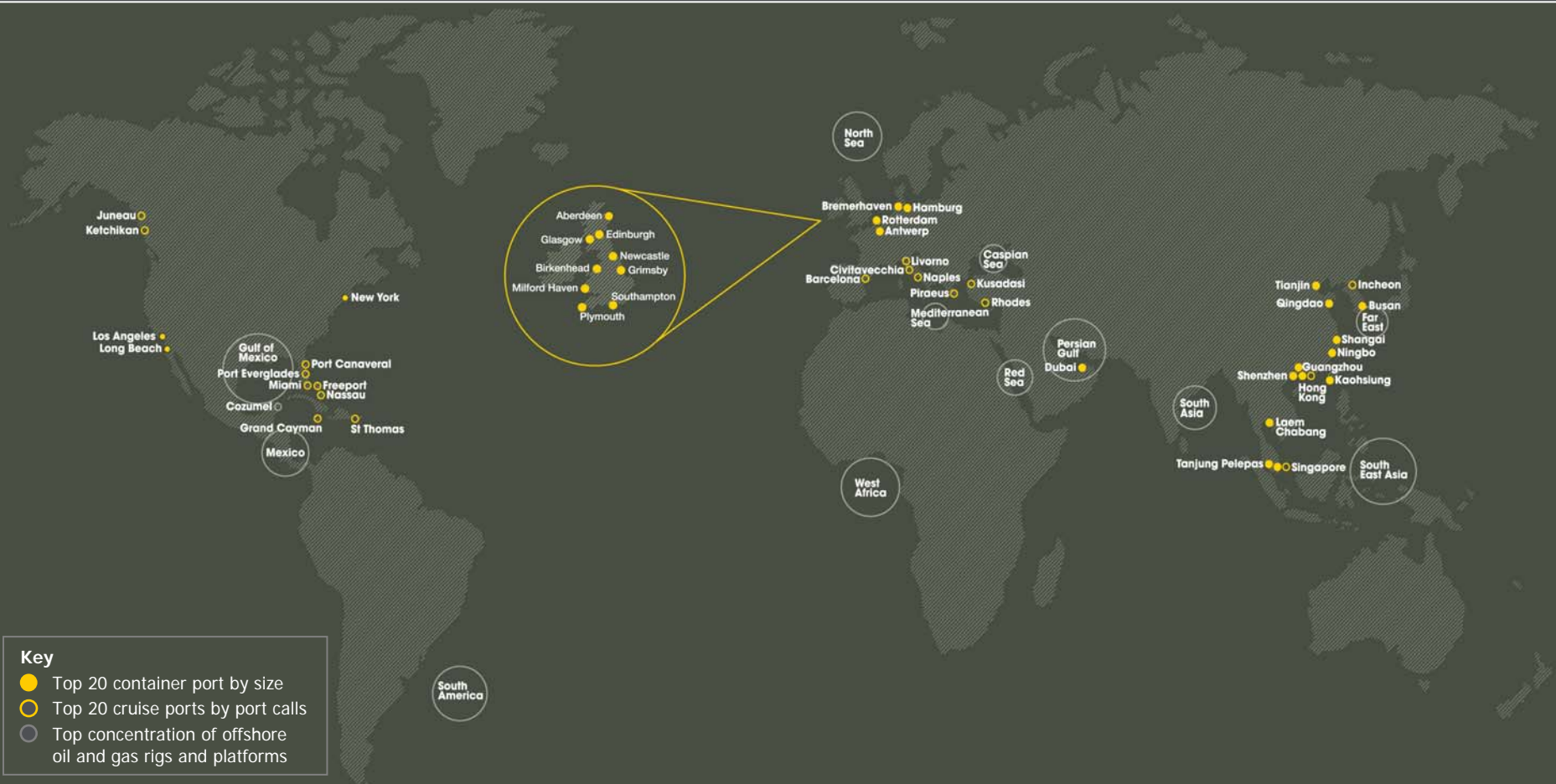


Cosalt strategy

- Become a leading global player in the provision of critical safety equipment and services
- Maintain two-leg (Offshore and Marine) focus with eventual 50% / 50% revenue split
- Expand the international footprint of the business primarily through organic growth and longer-term with selective acquisitions which meet strict criteria
 - Fragmented nature of sector makes this possible
 - Benefits to customers in an international market offering
 - Opportunity to secure high quality longer-term contracted revenue streams
 - Significant cost benefits available to a larger integrated global business (purchasing power/logistics/cross selling)
- Strengthen divisional management teams



Global Markets : Offshore & Marine



“Our vision is to become a leading global supplier and through life manager of critical safety equipment for people exposed to hostile environments”

Sectorial Split : Offshore and Marine

	2008		2007	
	Marine	Offshore	Marine	Offshore
	£m	£m	£m	£m
Revenue	63.2	41.8	55.5	11.4
EBITDA	4.5	9.2	4.5	1.9
EBIT	2.1	8.3	2.3	1.8
EBIT %	3.3%	19.9%	4.2%	15.5%

Including Myhre Maritime acquisition, Offshore projected revenue for 2009 estimated at £60 million

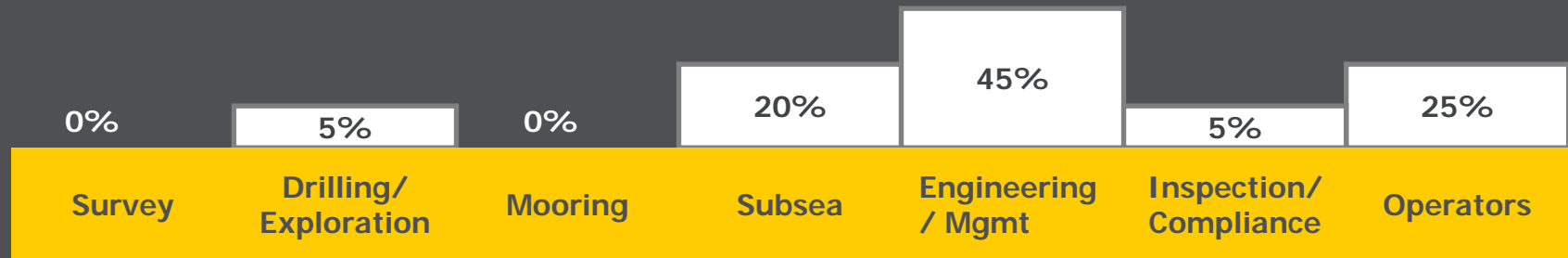
Offshore: Business drivers



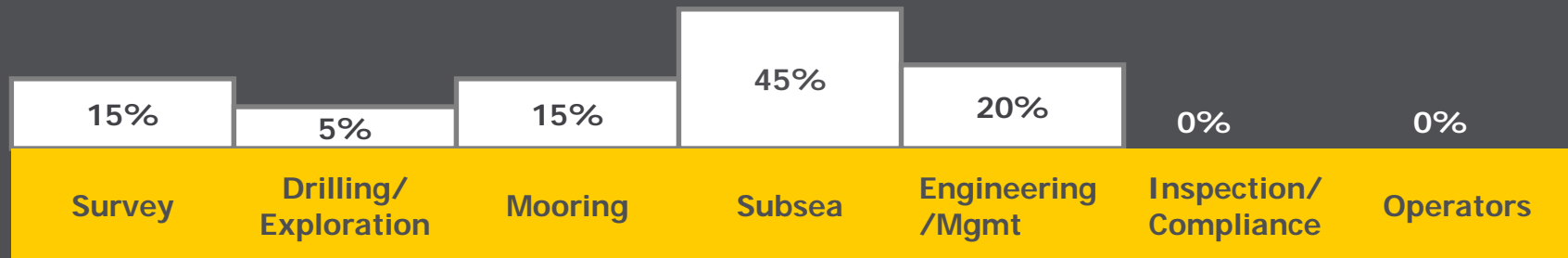
- Source: Oliver Wyman 2007
- Market for lifting and inspection (Offshore) including Inspection/Mechanical/Wire rope/Pneumatic/Working at heights/Hydraulic/Assurance/Cranes

Offshore: Opportunity to expand

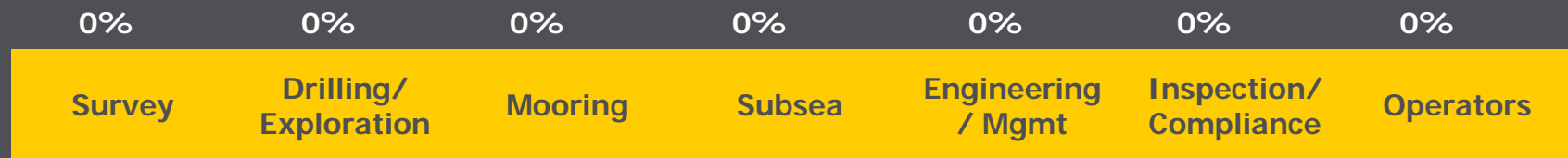
(Cosalt revenue %)



UK



NORWAY



NETHERLANDS

Offshore: Market dynamics

Regulatory Drivers

- International Marine Contractors Association (IMCA)
- HSE
- CE Approvals
- Annual Servicing
- Best Practice
- MCA
- OHSE Management
- Solas

Growth Drivers

- Global Processes
- Desire for Best Practice
- Commonality of Processes
- New Regulations
- Product and Service Expansion

Locations

- North Sea
 - Stavangar
 - Aberdeen
 - Rotterdam
 - Lowestoft
- Gulf of Mexico
- West Africa
- Middle East
- Asia and South America



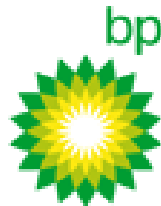
Competitors

- Viking Moorings
- Survival
- Certex
- Local Operators

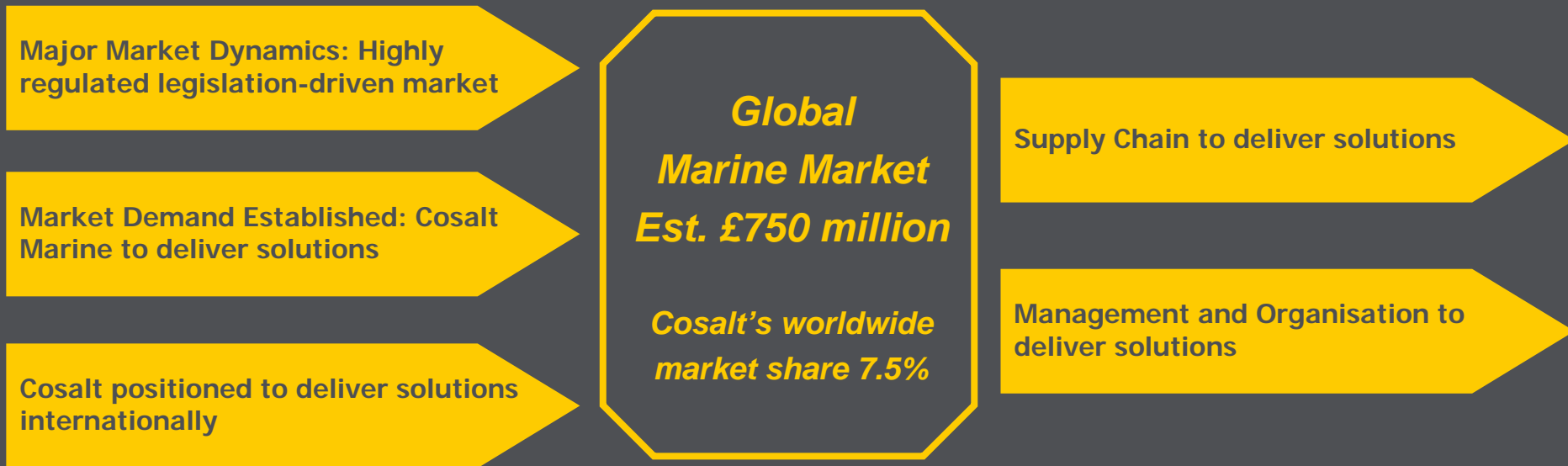
Offshore: Customers



AKER OFFSHORE



Marine: Business drivers



- Source: Oliver Wyman 2007
- Market for inspection and maintenance services for liferafts, lifeboats, lifejackets and fire equipment

Marine: Product offering

- Liferrafts
- Lifeboats
- Lifejackets and Immersion Suits
- Fire safety



	Liferrafts	Lifejackets & Immersion Suits	Lifeboats	Fire Safety	Marine Equipment Sales
Belgium	✓	✓	✓	✓	✓
Holland	✓	✓	✓	✓	✓
Germany	✓	✓	✗	✓	✓
Italy	✓	✓	✗	✗	✓
Spain	✓	✓	✗	✓	✓
UK	✓	✓	✗	✗	✓

Marine: Market dynamics

Regulatory Drivers

- IMO/Solas Regulation
- MCA UK
- CE Approvals
- Annual Servicing
- H&S Compliance Management

Growth Drivers

- Improved Product Performance
- New Regulations
- Customer Risk Reduction
- Replacement of Aged Equipment

Locations

- Caribbean
- Mediterranean
- South East Asia
- Gulf of Mexico

Competitors

- Unitor
- Viking
- Zodiac
- Local operators



Marine: Customers



PERFORMANCE

Mike Reynolds, Finance Director

Profit and loss account: continuing business before special items

	2007/08 £m	2006/07 £m
Sales	105.0	66.9
Operating profit	9.5	2.7
Financing costs	(2.3)	(1.8)
Profit before tax and special items	7.2	1.0
Tax	(1.3)	(0.7)
Profit after tax	5.9	(0.3)
Earning per share	23.38p	17.63p
Dividends per share	6.0p	12.0p

Special items: £5.7m (2007: £0.9m)

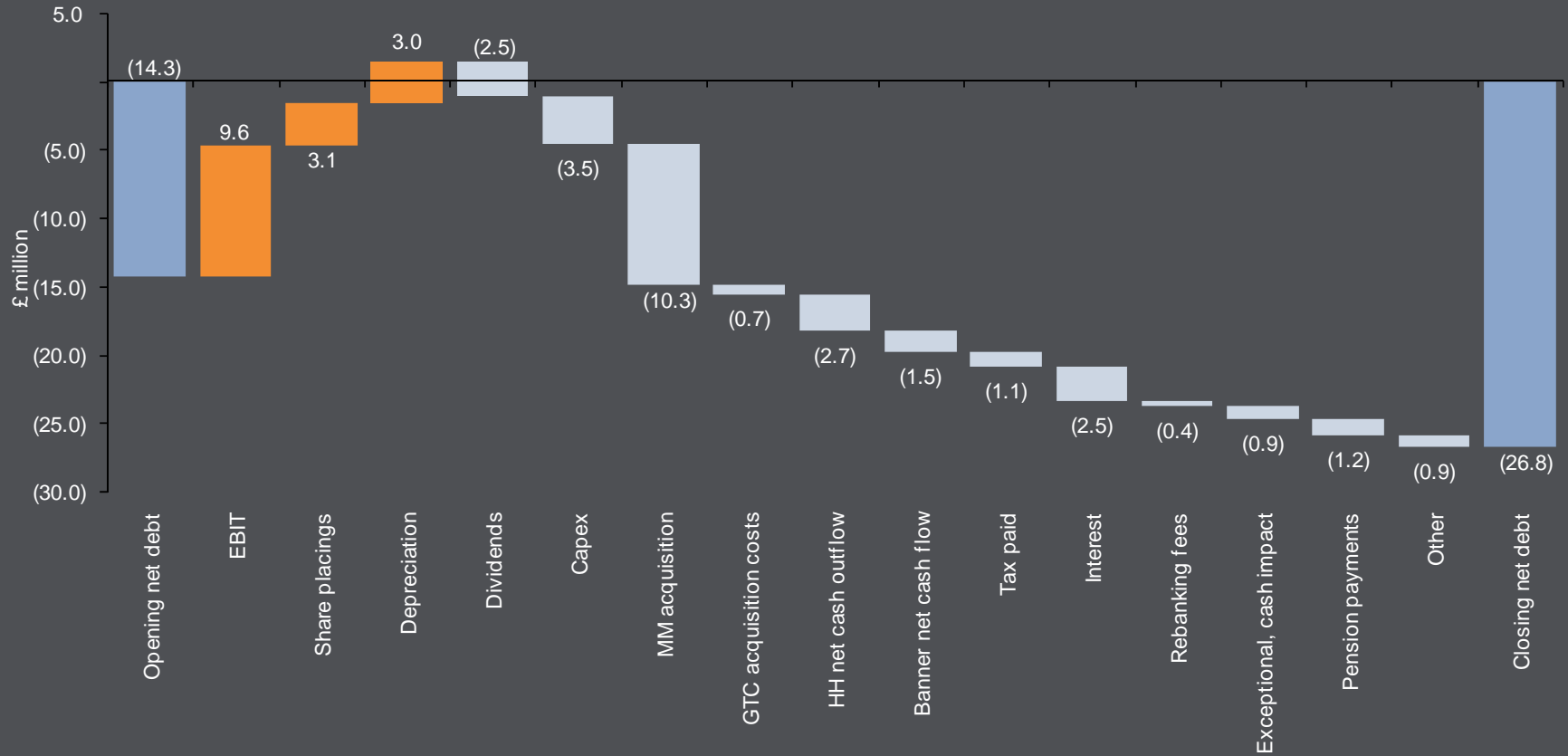
Segmental

2007/08	Marine Total (£m)	Offshore Total (£m)	Head Office (£m)	Total (£m)
Sales	63.2	41.8	0.0	105.0
EBITDA	4.5	9.2	(0.8)	12.9
EBIT	2.1	8.3	(0.9)	9.5
EBITDA %	7.1%	22.0%		12.2%
EBIT %	3.3%	19.9%		9.1%
2006/07				
Sales	55.5	11.4	0.0	66.9
EBITDA	4.5	1.9	(1.3)	5.1
EBIT	2.3	1.8	(1.4)	2.7
EBITDA %	8.1%	16.7%		7.6%
EBIT %	4.2%	15.5%		4.0%

Balance sheet

Assets	As at 26 October 2008 (£m)	As at 28 October 2007 (£m)
Intangible	50.6	39.1
Investment properties	3.1	3.9
Fixed assets	10.5	15.0
Inventories	19.4	25.5
Trade renewables	27.0	41.3
Other	<u>5.4</u>	<u>3.3</u>
	<u>116.0</u>	<u>128.1</u>
Liabilities		
Trade payables	(40.1)	(37.2)
Retirement benefit obligations	(6.3)	(8.8)
Other	<u>(5.3)</u>	<u>(9.0)</u>
	<u>(51.7)</u>	<u>(55.0)</u>
Net debt	(26.8)	(14.3)
Net assets	<u>37.5</u>	<u>58.8</u>

Cashflow 2007/08



The Future

Mark Lejman, Chief Executive

The Future

- Vision to become a leading global player across both Offshore and Marine sectors
- Restructuring plan with four key deliverables underway
 - Exit all legacy businesses
 - Strengthen management team
 - Refine and bring greater focus to strategy
 - Address Group's optimal long-term financing structure
- Banking facilities increased and extended
- Business performing well...
 - Securing long-term contracts
 - Market resilience demonstrated
 - Margins strengthening
- Progress expected during 2009



"We have recently agreed terms for increased and extended banking facilities of £39 million with HSBC and RBS. The new facility, along with recalibrated covenants, give the Group greater headroom and provide the Board with the time and flexibility to assess the optimal long-term financing structure for the business and the delivery of its strategy."

David Hobdey, Chairman
26 February 2009

Mark Lejman

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