

Interim results for the six months ending 27 April 2008

26 June 2008



Introduction

David Ross,
Chairman



Building a global business

Clear and focussed strategy

- Building on our leading European position and becoming a global player in Safety & Protection
 - Marine: commercial & cruise
 - Oil & Gas: offshore lifting & inspection
- Capitalising on legislation-driven markets
- Combination of organic and acquisitive growth
- Strong shareholder support

Good progress in first half

- Strong growth in Safety & Protection performance
 - H1 turnover up 55% to £49.6m (Full year '07: £66.9m)
 - H1 headline operating profit up 238% to £4.19m (Full year '07: £4.12m)
- Strengthened North Sea position with Safety At Heights Services acquisition
- Disposal of Banner for £4.5m
- Clear plan for Holiday Homes, last remaining legacy business
 - Decision to treat as discontinued business
- Strengthened Board and management teams
 - David Ross, Chairman
 - Mark Lejman, Chief Executive
 - Mike Reynolds, Finance Director

Financials

Neil Carrick,
Finance Director



Income statement

	April 2008 £000	% Increase	April 2007 £000
Revenue	49,567	+55%	31,988
Headline Operating Profit			
- Safety & Protection	4,194	+238%	1,238
- Head Office	(1085)		(701)
Headline Operating Margin	8.5%		3.9%
Interest	(999)	+36%	(732)
Taxation	(341)		281
Headline EPS	6.15p		(0.01p)

Balance sheet

	26 weeks ended 27 April 2008 (£'000)	26 weeks ended 29 April 2007 (£'000)
Goodwill and intangibles	39,762	10,120
Property, Plant, Software and Investment	16,518	18,596
Stock and Debtors	46,597	69,097
Net Assets for Sale	12,452	-
Net Debt	27,864	33,185
Gearing	60%	130%

Cash flows

	26 week April 2008	26 week April 2007	Year to October 2007
Working Capital Movements	(12,825)	(13,383)	(1,462)
Net Debt	(27,864)	(33,185)	(14,354)
Gearing	60%	130%	24%
Acquisition Costs			28m (+3.75m deferred)
Equity Raised			30m

Discontinued businesses

(£'000)	26 weeks ended 27 April 2008	26 weeks ended 29 April 2007
Revenue		
- Schoolwear	5,958	6,888
- Holiday homes	<u>22,751</u>	<u>25,046</u>
	<u>28,709</u>	<u>31,934</u>
Operating (loss)/profit		
- Schoolwear	(593)	(56)
- Holiday homes	<u>(462)</u>	<u>455</u>
	<u>(1,055)</u>	<u>399</u>
Redundancy and reorganisation plus interest	<u>(924)</u>	284
Sold		
- Schoolwear net assets	9,773	
Net proceeds less costs	<u>3,748</u>	
Loss	<u>(6,025)</u>	
For sale		
- Holiday homes net assets	14,994	
- Assessed fair value	<u>8,704</u>	
Loss	<u>(6,290)</u>	
Total loss	(14,294)	

Holiday Homes

- Non core discontinued legacy business
 - Commoditised low value caravans
 - Higher value and market-leading customised lodges
- Market suffering from excess capacity
- Position exacerbated by deteriorating economic climate
 - Caravan market down 20% year-on-year in May '08
 - Lodges down 14% over same period
- New management team with clear plan to sell business
 - Tight management of cash and working capital
- Restructuring plan will minimise impact of downturn but business will remain loss-making

Operational review

Mark Lejman,
Chief Executive



Safety & Protection: the opportunity

Legislation-driven demand for products & services

Defensive qualities in otherwise cyclical sectors

Specialist skills and certifiable approved-supplier status provide barriers to entry



Safety & Protection: the opportunity

Marine:

Commercial & Cruise

Estimated £750 million market for safety products & services
(life-rafts, life-boats, life-jackets, fire equipment)



Safety & Protection: the opportunity

Oil & Gas:

Offshore lifting & Inspection

Estimated £420 million market in North Sea alone / £4.5 billion globally
(test, inspect & hire of lifting and fall arrest equipment)



Key strategic acquisitions

- **Bofort** (Dec '06 for €12m)
 - Direct access to 3 largest cargo ports in Europe and key cruise ports in Italy
 - Creates Europe's largest independent network of marine safety service centres
 - Opportunity to expand safety equipment management contracts with major shipping companies
 - Solid platform for increasing sales of core products
- **SSM** (July '07 for €3m)
 - Addition of rapidly expanding cargo and cruise ship port of Barcelona
 - Solid platform for setting up network of services stations in key Spanish ports
 - Use cruise port network to tie in blue-chip cruise operators
 - Opportunity to increase sales of core products from existing distribution network
- **GTC** (September '07 for £30m)
 - Major foothold in Northern North Sea oil & gas market
 - Complements existing onshore lifting and inspection business
 - Opportunity to replicate GTC model in Southern Sector and expand European network
 - Leverage strong customer relationships to increase sales of core products and services
- **Safety At Height Services** (May '08 for £0.265)
 - Distribution and servicing arm for the offshore oil and gas industry
 - New legislative driven service opportunity
 - Tactical addition to GTC acquisition

Margins increased in 2008 from 3.9% to 8.5%

Safety & Protection: current position

- Control combined network of marine safety businesses based in key European ports
- Significant presence in shipping, ferry and cruise markets
- Significantly expanded lifeboat service capability and fire servicing business
- Market leader in supply, repair and management of lifting equipment servicing a number of major offshore oil & gas operators
- Significantly enhanced onshore lifting and inspection business service capacity and technical expertise
- Full year contribution from acquisitions in 2008

Acquisition of Myhre-Maritime

- Offshore marine safety business
 - Located at Stavanger, Norway
- Leading supplier in Norwegian North Sea
 - lifting and inspection services
 - Lifting, towing and mooring equipment
- Complements GTC acquisition, located in Aberdeen
- Performance to December 2007:
 - Turnover: £8 million
 - EBIT: £1.8 million
- Consideration of £12 million
 - £10 million in cash
 - £1 million in shares
 - £1 million deferred
- Completion expected early July 2008

Where we are now



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

Looking to the future



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

Safety & Protection: next steps

Marine

- Leverage life-raft servicing and fire safety expertise to develop these services in countries beyond Europe
- Expand life-boat servicing business as the introduction of “third party” regulation comes into play
- International footprint expansion will allow targeting of global shipping companies

Oil & Gas

- Expand lifting inspection services into Southern North Sea and Norwegian sectors through GTC and Myhre acquisitions
- Expand skills base to develop global reach in offshore oil & gas markets
 - eg Middle East, Far East and Americas

Investigating a number of value enhancing, strategic acquisition opportunities around the world

Summary






- Vision to become a leading global player in marine and offshore Safety & Protection services
- Clear plan for remaining legacy business
- Full year contributions from acquisitions in 2008
- Buoyant demand for products
 - Driven by increased safety regulations and robust oil & gas market
- Markets present attractive organic expansion and roll-up acquisition opportunities
- Platform established for long-term profitable growth



Appendix



A new force in Safety & Protection

	Products/Services	Inspection Requirement	Users	Trends	
Life rafts	<ul style="list-style-type: none"> / Commercial life rafts / Leisure life rafts / Mass Evacuation Systems (MES) / Inflatable Rescue Boats 	<ul style="list-style-type: none"> / Annual test & inspection / Regular inspection / Annual inspection / Annual inspection 	<ul style="list-style-type: none"> / Cargo & passenger vessels / Offshore oil & gas installations / Emergency services / Port and harbour authorities / Towing & workboat market / Commercial fishing / Leisure marine market / Inland waterways & lakes 	<ul style="list-style-type: none"> / Increased network of Marine Safety businesses will improve customer service / Growth in cruise, container & gas sectors / Increase in oil exploration / Wider range of services & products is more attractive to larger operators / Recent acquisition will improve Offshore market penetration 	
Life boats	<ul style="list-style-type: none"> / Fully enclosed lifeboats / Open lifeboats / Free fall lifeboats / Davits & winches / GRP Engine repair / Metal Fabrication facility 	<ul style="list-style-type: none"> / Annual test & inspection plus a five year major overhaul 	<ul style="list-style-type: none"> / Cargo and passenger vessels / Offshore oil & gas installations 	<ul style="list-style-type: none"> / New legislation is increasing demand / Increased network of Marine Safety businesses will improve customer service / Growth in cruise, container & gas sectors / Increase in oil exploration / Recent acquisition will improve Offshore market penetration 	
Life jackets	<ul style="list-style-type: none"> / Market leading 'Premier' inherently buoyant lifejackets / Commercial inflatable lifejackets / Leisure lifejackets / Buoyancy aids / Immersion suits 	<ul style="list-style-type: none"> / Regular inspection / Annual test & inspection / Regular inspection / Regular inspection / Annual inspection after 3 years 	<ul style="list-style-type: none"> / Cargo and passenger vessels / Offshore oil & gas installations / Emergency services / Port and harbour authorities / Towing & workboat market / Commercial fishing / Leisure marine market / Inland waterways & lakes / Defence and Aviation markets 	<ul style="list-style-type: none"> / Increased network of Marine Safety businesses will improve customer service / Growth in cruise, container & gas sectors / Increase in oil exploration / Wider range of services & products is more attractive to larger operators / Recent acquisition will improve Offshore market penetration 	
Fire safety	<ul style="list-style-type: none"> / Fire suppression systems / Breathing apparatus / Gas Detection Equipment / Fire hoses & accessories / Fire extinguishers / Fire suits / Specialist fire-protection clothing 	<ul style="list-style-type: none"> / Annual test & inspection / Annual test & inspection / Annual test & inspection / Annual test & inspection / Annual test & inspection / Regular inspection / Regular inspection 	<ul style="list-style-type: none"> / Cargo & passenger vessels / Offshore oil & gas installations / Towing & workboat market / Commercial fishing 	<ul style="list-style-type: none"> / Increased network of Marine Safety businesses will improve customer service / Growth in cruise, container & gas sectors / Recent acquisitions improve skill & experience / Fire servicing complements marine servicing business 	
Lifting & inspection	<ul style="list-style-type: none"> / On/Offshore Test & inspection services / Tool/Lifting Equipment hire / Non destructive testing / ICP & Technical Support / Refurbishment services / Fall arrest equipment / Fibre/Wire rope 	<ul style="list-style-type: none"> / Annual/bi-annual & inspection / Annual/bi-annual & inspection / Annual/bi-annual & inspection / Support service / Support service / Annual/bi-annual & inspection / Regular inspection 	<ul style="list-style-type: none"> / Offshore oil & gas installations / Large industrials / Petro-Chemical market / Cargo and Passenger vessels / Defence and Aviation markets 	<ul style="list-style-type: none"> / Recent acquisitions improve offshore market penetration / Increasing potential for total integrated management packages / Wider range of services & products is more attractive to larger operators / Increase in oil exploration 	
Safety workwear	<ul style="list-style-type: none"> / Nuclear/biological suits / Foul weather clothing / Flotation suits / Air crew coveralls / Cold weather clothing / Hi-visibility clothing / Masks & respirators / Boots / Hats & gloves etc 	<ul style="list-style-type: none"> / Regular inspection / Regular inspection / Regular inspection / Regular inspection / Regular inspection / Regular inspection / Regular inspection / Regular inspection / Regular inspection 	<ul style="list-style-type: none"> / Emergency Services / Offshore oil & gas installations / Defence & Aviation markets / Large industrials / Petro-Chemical market 	<ul style="list-style-type: none"> / Further penetration of defence markets / Cross-sell into emergency services and local authorities / A more focused approach to 'selling' 	