



# AGM Presentation

13 February 2014

John Hayward, CEO  
Alan Wilson, Chairman

## A well balanced and profitable group

**Engineered Products**



|           |        |      |
|-----------|--------|------|
| Revenue   | £16.0m | +13% |
| Op profit | £1.6m  | +60% |

**Cylinders**



|           |        |      |
|-----------|--------|------|
| Revenue   | £17.3m | +6%  |
| Op profit | £3.6m  | +56% |


**Alternative Energy**



|         |         |           |
|---------|---------|-----------|
| Revenue | £1.1m   | up £0.9m  |
| Op loss | £(0.5)m | unchanged |

### Designing products and services to satisfy specific customer needs in:

**Oil and Gas**



|      | Revenue |       |
|------|---------|-------|
| 2013 | £27.6m  | 80.4% |
| 2012 | £24.1m  | 79.0% |

**Defence**




|      | Revenue |       |
|------|---------|-------|
| 2013 | £3.8m   | 11.0% |
| 2012 | £2.2m   | 7.2%  |

**Industrial Gases**



|      | Revenue |       |
|------|---------|-------|
| 2013 | £1.8m   | 5.2%  |
| 2012 | £3.9m   | 12.8% |

**Alternative Energy**



|      | Revenue |      |
|------|---------|------|
| 2013 | £1.1m   | 3.4% |
| 2012 | £0.3m   | 1.0% |

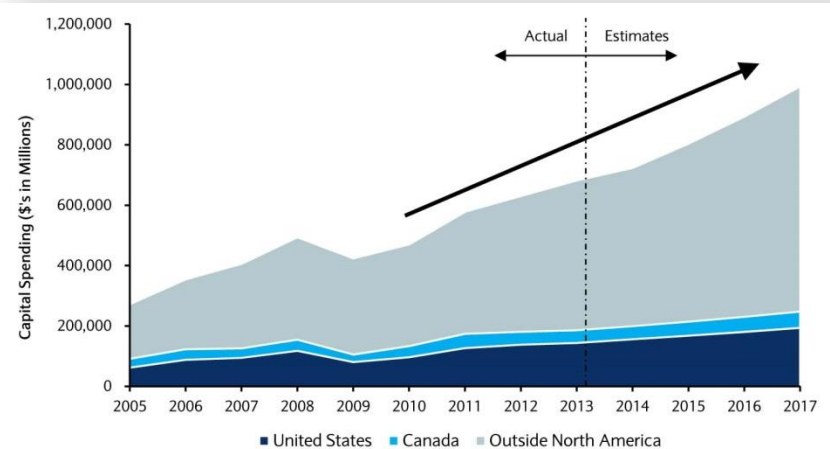
✱ **Global E&P spending to reach an all-time record US\$723bn in 2014, fifth year in a row of growth**

✱ **Mid-size International Oil Companies under shareholder pressure to deliver cash & yield rather than spending on capex**

✱ **North America to spring back with 7% spending increase; Middle East 14%, Latin America 13% and Russia 11%**

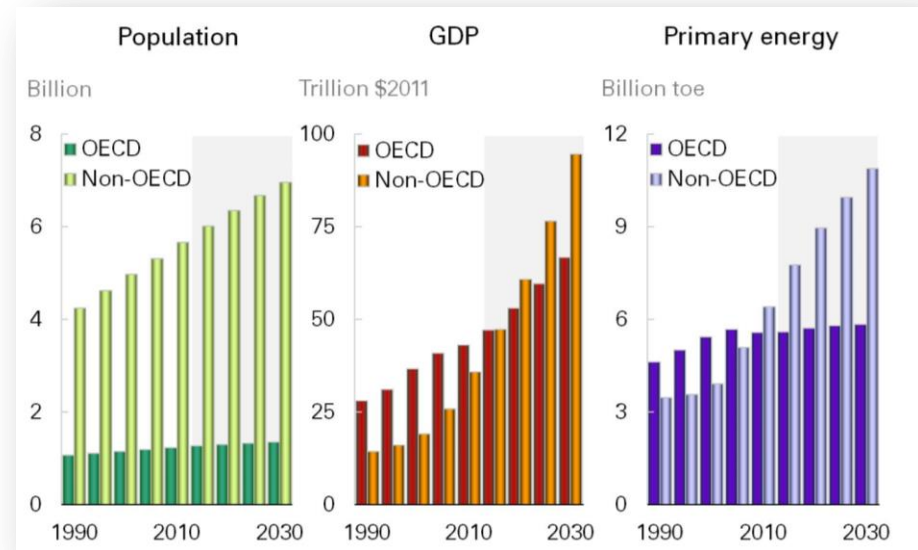
✱ **“We believe...the industry is in the early days of a prolonged upcycle consequently we expect the market fundamentals to favour service companies for the next several years”**

|                                    | 2013A            | 2014E            | +/-             | %           |
|------------------------------------|------------------|------------------|-----------------|-------------|
| US Spending                        | 143,989.3        | 156,163.6        | 12,174.4        | 8.5%        |
| Canada Spending                    | 41,738.2         | 43,068.8         | 1,330.6         | 3.2%        |
| <b>NAM Spending:</b>               | <b>\$185,727</b> | <b>\$199,232</b> | <b>\$13,505</b> | <b>7.3%</b> |
| Middle East                        | 34,791.0         | 39,812.0         | 5,021.0         | 14.4%       |
| Latin America                      | 74,590.0         | 84,159.0         | 9,569.0         | 12.8%       |
| Russia/FSU                         | 53,940.1         | 59,844.0         | 5,903.9         | 10.9%       |
| Europe                             | 46,684.3         | 50,312.6         | 3,628.3         | 7.8%        |
| India, Asia & Australia            | 120,928.0        | 124,178.2        | 3,250.2         | 2.7%        |
| Majors (Int'l Spending)            | 113,992.0        | 115,413.0        | 1,421.0         | 1.2%        |
| Africa                             | 25,241.0         | 25,337.1         | 96.1            | 0.4%        |
| NAM Independents (Int'l Spending)  | 19,395.0         | 18,547.0         | (848.0)         | -4.4%       |
| Other                              | 6,401.2          | 6,475.6          | 74.4            | 1.2%        |
| <b>Int'l Spending:</b>             | <b>\$495,963</b> | <b>\$524,078</b> | <b>\$28,116</b> | <b>5.7%</b> |
| <b>Worldwide E&amp;P Spending:</b> | <b>\$681,690</b> | <b>\$723,311</b> | <b>\$41,621</b> | <b>6.1%</b> |

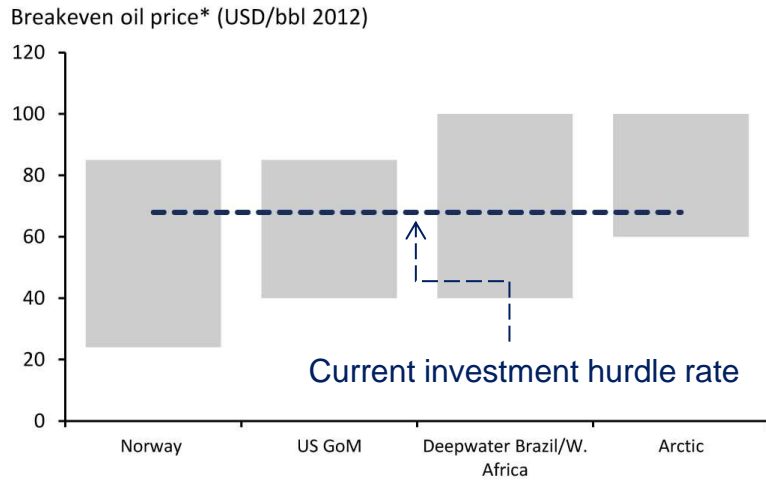


Source: Barclays Global 2014 E&P Spending Outlook

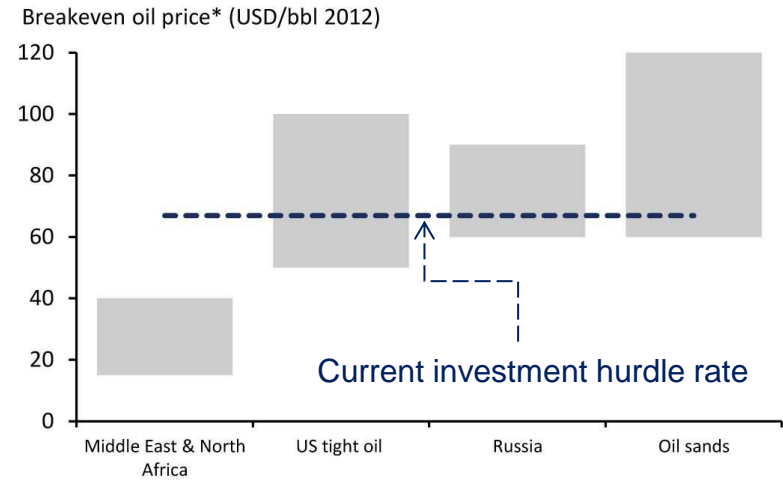
- ✦ **World's population increasing by about 1 billion every 12 years**
- ✦ **Future global GDP growth & energy demand Non-OECD driven**
- ✦ **A thirst for all sorts of energy**  
Coal, Oil, Gas, Hydro, Nuclear and Renewables
- ✦ **...for many purposes**  
Transport, industry, power generation and other



# High prices supporting unconventional

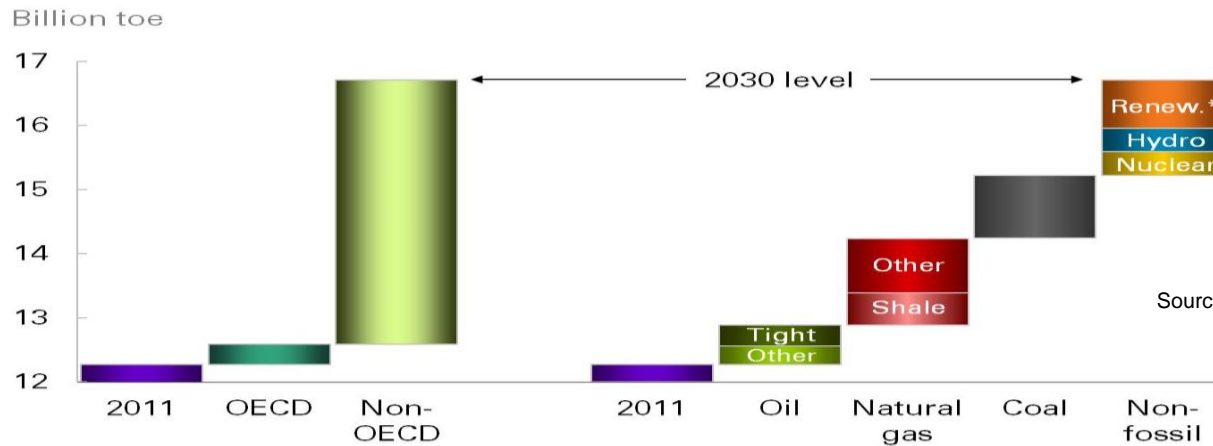


Demand



Supply

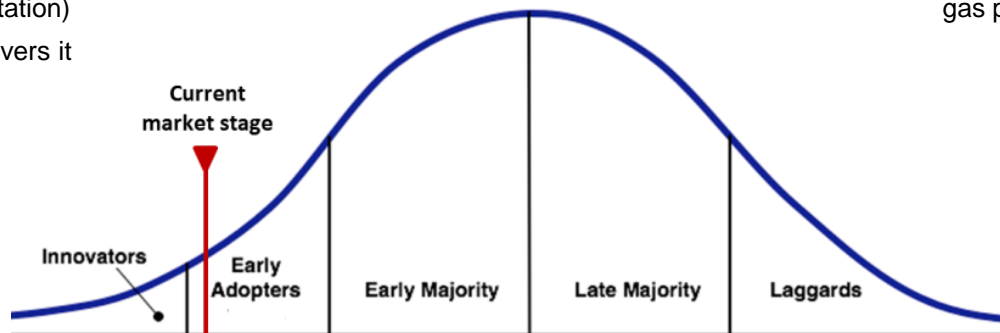
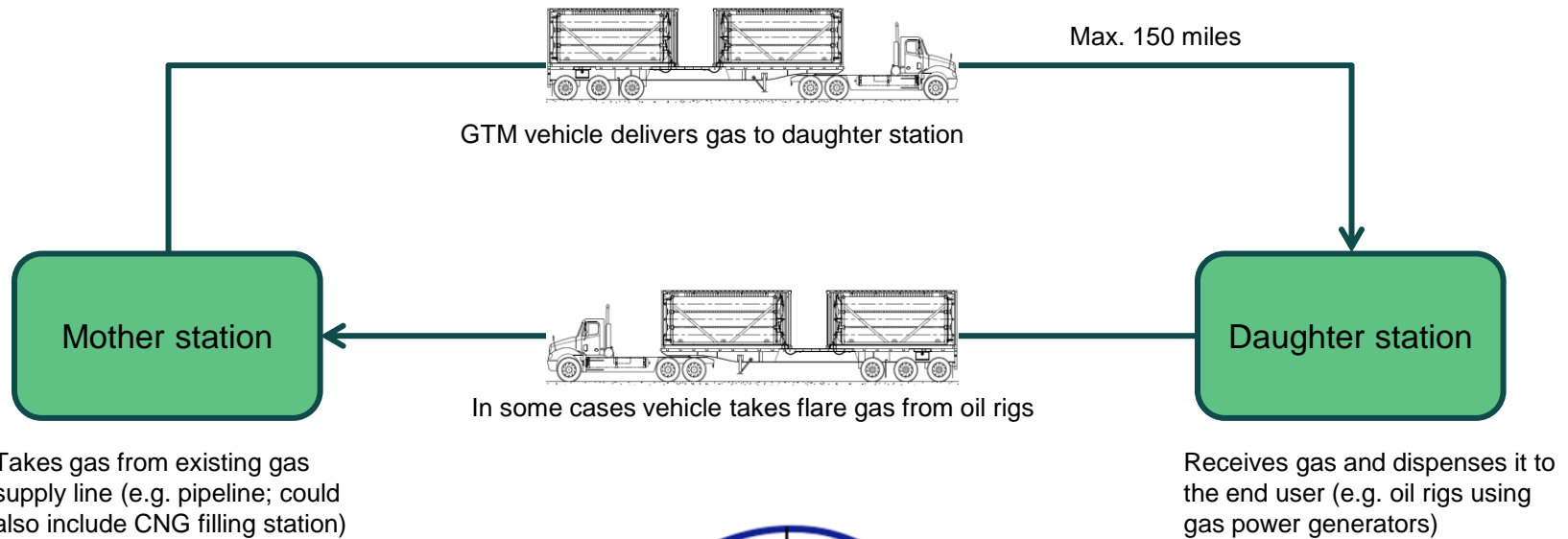
Source: Pareto Securities E&P Survey 2013



- ✦ **Manufacturer of Gas Transport Modules (GTMs)**
- ✦ **40% stake acquired for US\$500,000 and US\$3.5 million loan**
- ✦ **Option to increase to 80% in 2015 via payment of US\$500,000 and provision of further loans**
- ✦ **High growth potential and good reputation**  
US market forecast US\$130m in 2016  
US\$70m served by current product offering and the rest by planned new product development (*Source: AMR International*)
- ✦ **Potential to grow a high margin re-testing service**
- ✦ **Expansion outside US**  
Use CSC expertise to gain EN and ISO approvals  
Potential for alternative fuels market in Europe  
Oil and gas industry throughout Asia



## Bulk gas transportation process (mother-daughter principle)



## **Great markets**

Continued growth in oil and gas market

High added value opportunities in defence

Biogas upgrading market growing rapidly

New market with huge potential - Gas Transport Modules

## **Great products**

Strong demand for core products

Development programme of next generation products

Development of high added value services

## **Great business**

Diverse and balanced Group

Proven capability to acquire and integrate - further acquisition targets being evaluated

Vision, energy and capability to deliver