



The **Tanfield** Group

Preliminary Results 2010

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FD



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Overview

- Turnover 2010 £43.5m (2009: £43.1m)
- Loss of £15.8m (2009: £16.0m)
- Net cash at 1st April of £4.8m
- Debt free – debt capacity preserved
- Signs of growth for 2011

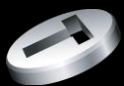


2010: Positive Strategy

- Preserved infrastructure for eventual market recovery
- Rolled out new global brand
- Implemented new management structure
- Executed new product strategy
- Cost down activities
- Strengthened distribution channels
 - Pop-Up
 - Dealer network
- 2011: Back to growth



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From UpRight to Snorkel: Brand Change



- One global identity
- Demonstration of positive changes since pre-Tanfield days
- New breed of product, not just a colour change
- Enforcing Snorkel product philosophy

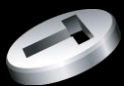
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Product Philosophy

Simplicity, Durability & Performance

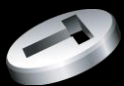
- **Simplicity** - reliable design which is easy to troubleshoot. Avoid complexity by all means
- **Durability** – all steel construction, designed for the harshest environments
- **Performance** – best value performance at competitive prices



Product Strategy

What do customers want?

- Low total ownership costs:
 - Robust/durable lifts
 - Easy and low cost SMR
 - Local product support
- Single source solution:
 - alternative to JLG/Genie
- Low Level Access
 - emerging growth market



Product Strategy

How we deliver

- Take best of both worlds:
 - UpRight ingenuity
 - Snorkel durability
- Improve commonality of parts
 - builds owner familiarity
 - reduces SMR costs/time
- Global dealer network
 - fast access to technical support
- Agreement with Pop-Up
 - market leader in low level access



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Product Development

- Electric scissor lifts
 - harmonised range
 - new common control system
 - tough, durable chassis
- Electric booms
 - class-leading performance
- Diesel Booms
 - new common mid-range chassis
 - enhanced performance
- Diesel Scissors
 - new SRT series launching 2011
- Towable Booms
 - strong, established range



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Low Level Access

Major Contractor Demands:

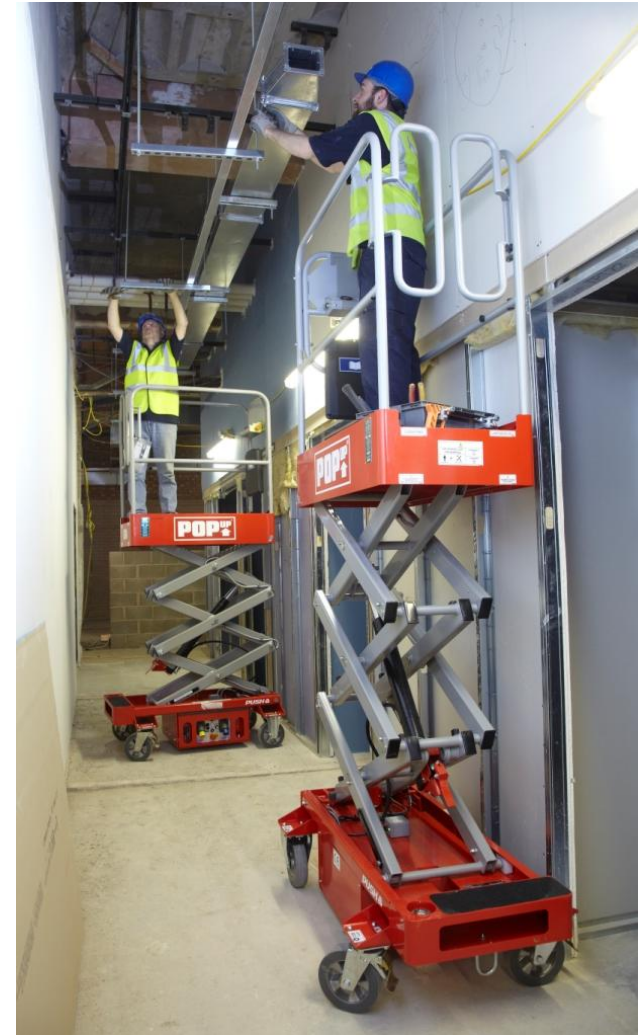
- Interior work
- <5m working height
- Suspended floors
- Improve safety/productivity

Products:

- Lightweight
- Compact
- Push-around & Self-Propelled

Position:

- Market-leading brand
- Widest product range on market
- New products launching 2011



Distribution Channels

Asia-Pacific

- Consolidated China regional dealer network
- Partners in new markets
 - Vietnam
 - South Korea
 - Singapore

Europe

- Strengthened dealer base
- New distributors in
 - Spain
 - Italy
 - Germany
 - Norway



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Distribution Channels

Developing new markets

Snorkel Middle East

- Strong dealers in all sub-regions

Snorkel India

- Low volumes for next 2-3 years
- Driver: adoption of Western construction methods

Latin America

- New partners in Brazil
- First orders received

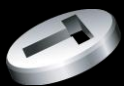


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2011: Return to Growth

- Strong Q1 order intake
- Possible re-inventorying
- Positive signs from rental market
- Cautiously optimistic
- Supply chain development – management of constraints
- New product introductions
- New markets
- Working capital management



Financial Overview

Profit and Loss Account - year to 31 December

| | 2010 (£000) | 2009 (£000) |
|--|------------------------------|------------------------------|
| Revenue | 43,500 | 43,102 |
| Raw Materials used and WIP and finished goods movement | -34,714 | -35,687 |
| Staff Costs | -14,747 | -13,413 |
| Other Operating Expenses | -8,121 | -8,159 |
| EBITDA (before impairments) | -14,082 | -14,157 |
| Loss before taxation | -16,663 | -16,935 |
| Taxation | -1,950 | 1,066 |
| Loss for the year (continuing operations) | -18,613 | -15,869 |
| Discontinued operations | -5,375 | -5,520 |
| Loss for theyear | -23,988 | -21,389 |



Financial Overview

Balance Sheet as at 31 December 2010

| | 2010 (£000) | 2009 (£000) |
|------------------------------------|----------------|----------------|
| Non current Assets | 9,675 | 22,196 |
| Current Assets | | |
| Inventories | 25,408 | 44,615 |
| Trade and other Receivables | 10,510 | 11,878 |
| Other current Assets | 406 | 347 |
| Cash and cash equivalents | <u>3,637</u> | <u>5,414</u> |
| | 39,961 | 62,254 |
| Assets classified as held for sale | <u>13,194</u> | |
| Total Current Assets | <u>53,155</u> | <u>62,254</u> |
| Total Assets | <u>62,830</u> | <u>84,450</u> |
| Current Liabilities | | |
| Trade and other payables | 11,293 | 16,178 |
| Other current liabilities | 552 | 1,052 |
| Other creditors | <u>2,294</u> | <u>2,553</u> |
| | 14,139 | 19,783 |
| | <u>3,832</u> | |
| | 17,971 | 19,783 |
| Non-current liabilities | 375 | 531 |
| Total liabilities | <u>18,346</u> | <u>20,314</u> |
| Equity | 44,484 | 64,136 |
| Total equity and total liabilities | <u>62,830</u> | <u>84,450</u> |



Financial Overview

Cash flow - year to 31 December

| | 2010 | 2009 |
|--|---------------------|---------------------|
| Continuing operations | | |
| Loss before interest and taxation | -16477 | -16668 |
| Non cash movements other than working capital | 2418 | 1684 |
| Operating cash flows before movements in working capital | <u>-14059</u> | <u>-14984</u> |
| Movements in: | | |
| Receivables | 611 | 9310 |
| Payables | -2656 | -2822 |
| Provisions | -28 | -3050 |
| Inventories | 13111 | 12723 |
| Net cash used in operations | <u>-3021</u> | <u>1177</u> |
| Discontinued operations | | |
| Loss before interest and taxation | -5369 | -5427 |
| Non cash movements other than working capital | 666 | 1121 |
| Operating cash flows before movements in working capital | <u>-4703</u> | <u>-4306</u> |
| Movements in: | | |
| Receivables | 1194 | -642 |
| Payables | -197 | -159 |
| Provisions | 300 | 210 |
| Inventories | 3410 | 2098 |
| Net cash used in operations | <u>4</u> | <u>-2799</u> |
| Total cash used in operations | <u>-3017</u> | <u>-1622</u> |
| Interest paid and tax movements | -220 | -326 |
| Cash used in investing activities | -159 | -3528 |
| Proceeds from issuance of ordinary shares net of costs | 1827 | |
| Repayment of finance leases | -458 | -504 |
| Effect of exchange rates | 250 | 213 |
| Decrease in cash in year | <u>-1777</u> | <u>-5767</u> |

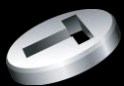


Summary

- No debt – debt capacity available
- Consideration outstanding from Smith EV sale
- Stronger global brand & presence
- Stronger/fitter product range
- Reduced costs
- Clear strategy for growth



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Global Operations



- **Vigo Centre, UK**
Production for EMEA; also supports A-P & USA



- **Kansas, USA**
Production for USA, plus big booms for EMEA & A-P

- **Levin, New Zealand**
Production for A-P

- **China**
90% JV; limited production for local market

