53% of Lifting
22% of Melrose

BRIDON
Jonathan Templeman – Chief Executive

Lifting
**Products overview**

**Oil & Gas**
- High quality ropes
  - Trawl ropes and marine applications

**Mining**
- High quality steel wire ropes
  - Shaft mining, surface mining and cable-belt ropes

**Crane and industrial**
- High performance wire ropes
  - Construction (cranes) and general engineering / industrial applications

**Structural applications**
- Specialist fibre and steel rope
  - Mooring, drilling, pipe laying and crane ropes for exploration, infrastructure build and production

**Fishing industry**
- High quality ropes
  - Trawl ropes and marine applications

**International site services**
- High performance cable assemblies
  - Bridges and Buildings

- International site services
  - Repair and maintenance, installation and replacement services, inspection and testing, non-destructive examination (NDE), splicing
Locations overview

Global reach - 11 manufacturing and 12 distribution / sales locations worldwide

International Site Services
- Repair and maintenance
- Installation and replacement services
- Inspection and testing
- Non-destructive examination (NDE)
- Splicing

Frigerio wire drawing machine
Rope coming off 460 machine in Germany
Big Hydra rope - Take up stand
Pre - form head on closer machine
Large closer machine
Galvanising
2011 revenues ahead of 2010
- Expect continued progress in 2012 – good order intake
- Benefiting from a recovery in offshore Oil & Gas

Margin improvement made in Melrose ownership
- Further margin improvement through investment and leaner processes expected
- Some lower margin sales in structures division now being exited

More cash generated than profits
- Working capital levels reduced

Notes
1 Includes pre-Melrose ownership under different accounting policies
2 2008 includes £20m turnover, £2m operating profit regarding Bridon Tianjin – discontinued operation
3 Before exceptional costs, exceptional income and intangible asset amortisation
Sales by end market and geography

Sales breakdown by end market, 2011

- Oil & Gas / Mining represent 52% of 2011 sales

Sales breakdown by geography, 2011

- Oil & Gas and Mining (52%)
Competitive position

Wire rope sector – c.1,800k tonnes

Served c.550k tonnes

Served by sector

Sector suppliers

Key customers

Note

¹ Sector estimates are internal estimates derived from operations management.
Medium term growth prospects

Strong, continued growth in the world’s oil & gas demand

World Demand
- Demand move from West to East
- Higher oil prices enable exploitation of more challenging reserves
- IEA forecasts annual oil demand growth 1.2% pa 2010-2030

Deepwater Demand
- Major offshore oil finds >2,000m
- Offshore production to grow from 33% to 35% by 2020 (Douglas-Westwood Consultants)
- Deepwater discoveries 50% of total discoveries 2006 – 2009 (specialist vessel market update to 2014)
- Deepwater share of offshore production forecast to increase to 12% in 2012 and rise rapidly in the following decade (Douglas-Westwood Consultants)
- Demand for specialist vessels growing

Source: IEA

Oil discovered by water depth

Source: Specialist vessels market update to 2014
Medium term growth prospects

Increased global mining demand

Emerging Countries
- Metals demand in India is predicted to double in five years and remain robust for a decade (Bloomberg Analyst)
- Increase of consumption of steel per capita driving demand for coking coal and iron ore
- Global steel demand will be driven by infrastructure projects in China, US, Middle East and India

World Energy Demand¹
- Coal production expected to increase at a rate of 1.5% pa, with particularly strong growth in China and India
- Electricity is the world’s fastest-growing form of end-use energy consumption (growth in non-OECD countries projected at 4% pa) and coal will remain a key source of production.
- 2008 to 2035 total world coal production increase of 54%

Steel consumption per capita (kg/year)

World market energy consumption, 1990-2035¹

History (quads million Btu)

<table>
<thead>
<tr>
<th>Year</th>
<th>Non-OECD</th>
<th>OECD</th>
</tr>
</thead>
<tbody>
<tr>
<td>1990</td>
<td>354</td>
<td>420</td>
</tr>
<tr>
<td>2000</td>
<td>420</td>
<td>505</td>
</tr>
<tr>
<td>2008</td>
<td>505</td>
<td>573</td>
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<tr>
<td>2015</td>
<td>573</td>
<td>619</td>
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<tr>
<td>2020</td>
<td>619</td>
<td>671</td>
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<tr>
<td>2025</td>
<td>671</td>
<td>721</td>
</tr>
<tr>
<td>2030</td>
<td>721</td>
<td>770</td>
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# Key developments under Melrose ownership

<table>
<thead>
<tr>
<th>Culture change</th>
<th>Technology leadership</th>
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<tbody>
<tr>
<td>- Awaking the sleeping giant!</td>
<td>- Solutions</td>
</tr>
<tr>
<td>- Strategic direction and leadership</td>
<td>- Technical expertise</td>
</tr>
<tr>
<td>- Performance management system</td>
<td>- New product development – process, 3D design and FEA</td>
</tr>
<tr>
<td>- From “Blame” to “Game for”</td>
<td>- Engagement with customers and institutions</td>
</tr>
<tr>
<td>- Town Hall and comms for engagement</td>
<td>- New technology centre planned</td>
</tr>
<tr>
<td>- Changing and up skilling leadership team</td>
<td>- Upgrading quality systems</td>
</tr>
<tr>
<td>- Health &amp; Safety number 1</td>
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<table>
<thead>
<tr>
<th>Market orientation</th>
<th>Operational excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Customer engagement at different levels</td>
<td>- Investing in neglected factories</td>
</tr>
<tr>
<td>- Key account management</td>
<td>- Upgrading quality systems</td>
</tr>
<tr>
<td>- Technical visits, seminars, training</td>
<td>- Lean continuous improvements</td>
</tr>
<tr>
<td>- Senior customer visit programme</td>
<td>- Mission directed work teams for engagement</td>
</tr>
<tr>
<td>- Revised services offering</td>
<td>- Bridon operating system</td>
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<tr>
<td>- Increased media and industry profile</td>
<td>- Waste and scrap reduction programmes</td>
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<td></td>
<td>- Supply chain management project</td>
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</tbody>
</table>
Investment and growth phase

Key investment overview

- **Newcastle – new facility**
  - New manufacturing facility – c. £20m investment in 2011 and 2012
  - 9,000 tonnes of additional capacity
  - Will produce the next generation of ropes, the biggest and most capable in the world

- **Doncaster**
  - Investment in own wire mill in 2010 / 2011 – over £1m annual cost savings
  - Greater vertical integration
  - Block Wire drawing machine in 2010 – 9,000 tonnes p.a. capacity increase (c. 14% of product line) and strengthened quality

- **Germany and Newcastle (Willington Quay)**
  - Upgrades and extensions – more than 1,000 tonnes of additional capacity

£40m investment programme in 2010 - 2012

- New markets (e.g. Brazil) and opportunities
Global technology leadership

Significant investment for the future: Project Neptune

<table>
<thead>
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<th>Overview</th>
<th></th>
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<tbody>
<tr>
<td>State-of-the-art manufacturing facility</td>
<td>Heavy lift transportation</td>
</tr>
<tr>
<td>Leading rope technology</td>
<td>Logistical flexibility</td>
</tr>
<tr>
<td>Supporting ultra deep challenges</td>
<td>Installation expertise</td>
</tr>
<tr>
<td>World leading capacities</td>
<td>Deepwater portside location</td>
</tr>
<tr>
<td>Material development and innovation</td>
<td>Bedrock quality</td>
</tr>
<tr>
<td>600t rope weights</td>
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Artist’s impression
Global technology leadership

At the forefront of technology: technology centre

Overview

- Towards being the global technological leader
- Leading edge testing equipment
- Support to our new product development, leading to innovative products

Artist’s impression
Global technology leadership

7 new products launched in 2011, and strong pipeline

<table>
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<th>New products</th>
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<tbody>
<tr>
<td>BriStar Core for Large Diameter Winch and Crane Ropes</td>
</tr>
</tbody>
</table>

- Extruded and Sheathed Round Balance Rope

- 24LS Dyform Non-Rotating Hoist Rope
Global technology leadership

7 new products launched in 2011, and strong pipeline

Future developments

Multistrand Rope Development for Neptune

High Strength Light Weight Hybrid Ropes
Concluding remarks

1. Continued investment under Melrose’s ownership
   - Investing in innovative new products that will deliver real benefits for our customers
   - Investing to create the world’s leading rope manufacturer
   - A pipeline of projects - new facility in Newcastle coming on-line next year

2. Clear strategy: become the global technology leader for demanding rope applications

3. Exposure to sectors with strong growth potential

4. Focus on delivering solutions for our customers