

# Empire Industries Ltd.

2009 Annual & Special Meeting

Guy Nelson  
Chairman and CEO

David Carefoot  
CFO



# Our Core Competency

## adding value to steel

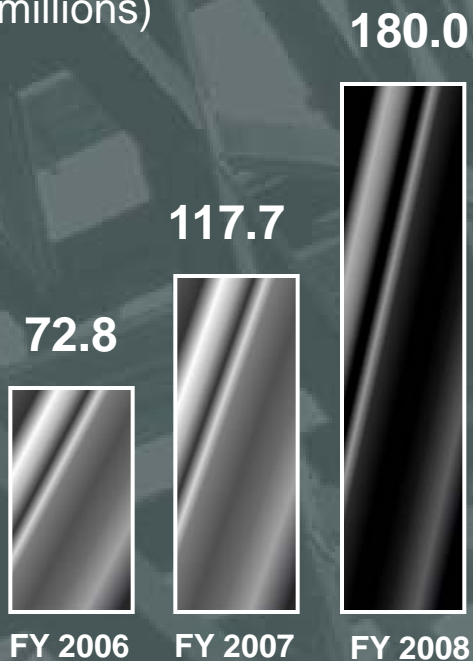
- steel fabrication & installation
- specialized engineered products



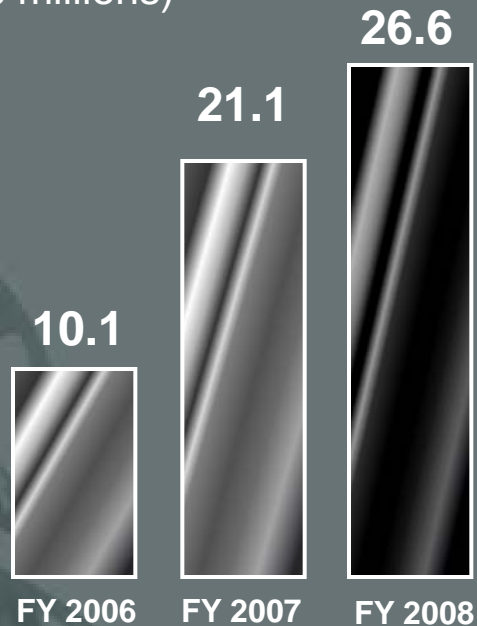
# Financial Review

Fiscal 2008

## Revenue (\$ millions)



## Gross Profit (\$ millions)



**Rapid growth  
through a series  
of acquisitions**

**Broadened and  
deepened mix of  
products &  
services**



# Financial Review

Fiscal 2008

## 2008 Year End Results

Gross Profit Rate	15%	↓	300 bps
EBITDA	\$5.3M	↓	\$3.5M
Net Income (Loss)	(\$1.8M)	↓	\$5.8M

### 2008 results were impacted by:

- Economic recession • Low pricing on 2 major jobs



# Financial Review

Q1 2009

## Q1 2009 Results

Gross Profit Rate	9.2%	↓	820 bps
EBITDA (Loss)	(\$1.1M)	↓	\$3.2M
Net Income (Loss)	(\$1.6M)	↓	\$1.6M

**These challenges have continued into the start of 2009**



# Financial Position

Q1 2009

*As at March 31, 2009*

Non-cash working capital	\$32.1M	Current funded Debt (net)	\$28.1M
Long-term tangible assets & investments	\$32.1M	Long-term funded debt	\$12.4M
Intangible assets	\$17.4M	Shareholder's equity	\$37.6M

**Focused on reducing certain assets which reduces current funded debt**



# Financial Position

Q1 2009

**Reviewing options to reduce current debt, increase working capital and increase tangible shareholders' equity, thereby getting bank covenants back onside.**

Solutions may include:

- Sale of non-core assets with proceeds to reduce debt
- Refinancing current debt with more long term debt
- Rigorous working capital management
- Continued focus on operating and capital cost management



# 2009 Outlook

- **Expecting negative economic conditions to continue to impact the performance of steel fabrication group throughout 2009**
- **Expecting the two low margin jobs to continue to negatively influence financial results through to job completion**
- **Outlook for engineered products group and aboriginal partnership both remain relatively positive for 2009**



# 2010 Outlook

- **Cautiously optimistic that lower steel prices, strengthening oil prices and government infrastructure spending will lead to the restoration of construction capital investment**
- **This in turn should provide more bidding opportunities for fabrication and installation work**



# Longer Term Outlook

The two under-priced jobs have positioned Empire for future profitable awards



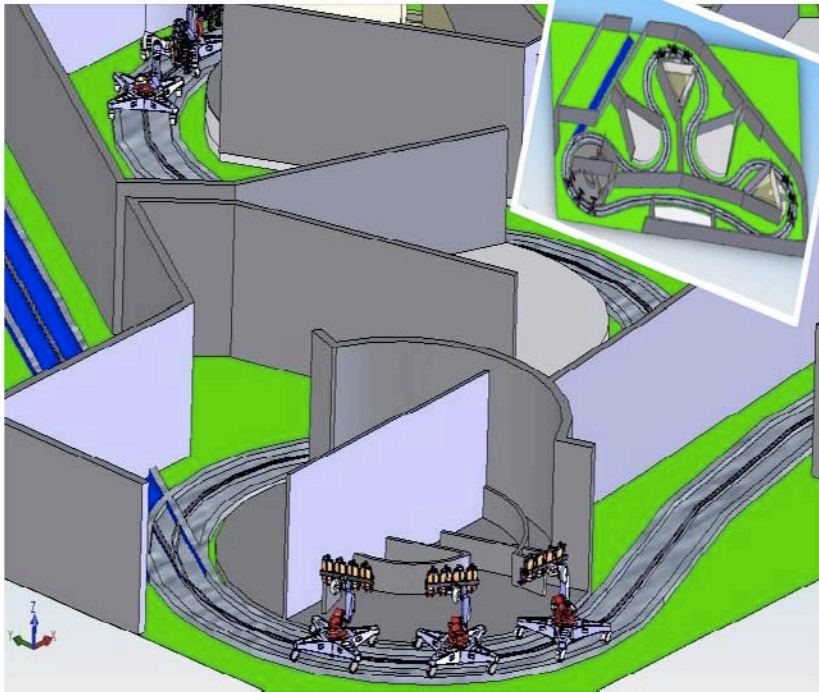
- The Coast Meridian Overpass has been a technically and financially challenging job from the start.
- Just last Friday, the launching nose for the 125m span successfully touched down on pier 2. This is the longest girder launch in North American history.
- Empire is well positioned for complex infrastructure work, like bridges, in Western Canada



# Longer Term Outlook

The two under-priced jobs have positioned Empire for future profitable awards

The RoboCoaster G2



- DSL's Robocoaster G2 ride has been a technically and financially challenging job from the start as well.
- We are on schedule for completion by year end with the "world's most expensive ride" grand opening scheduled for spring 2010 in a major new theme park.
- Empire is well positioned to participate in increased amusement ride capital expenditures, having built over \$300M worth of industry-leading amusement attractions in the past decade



# Empire Industries Ltd.

2009 Annual & Special Meeting

**adding value  
to steel**

- Diversified markets
- World-class capabilities
- Focused on:
  - strengthening balance sheet
  - restoring profitable operations

