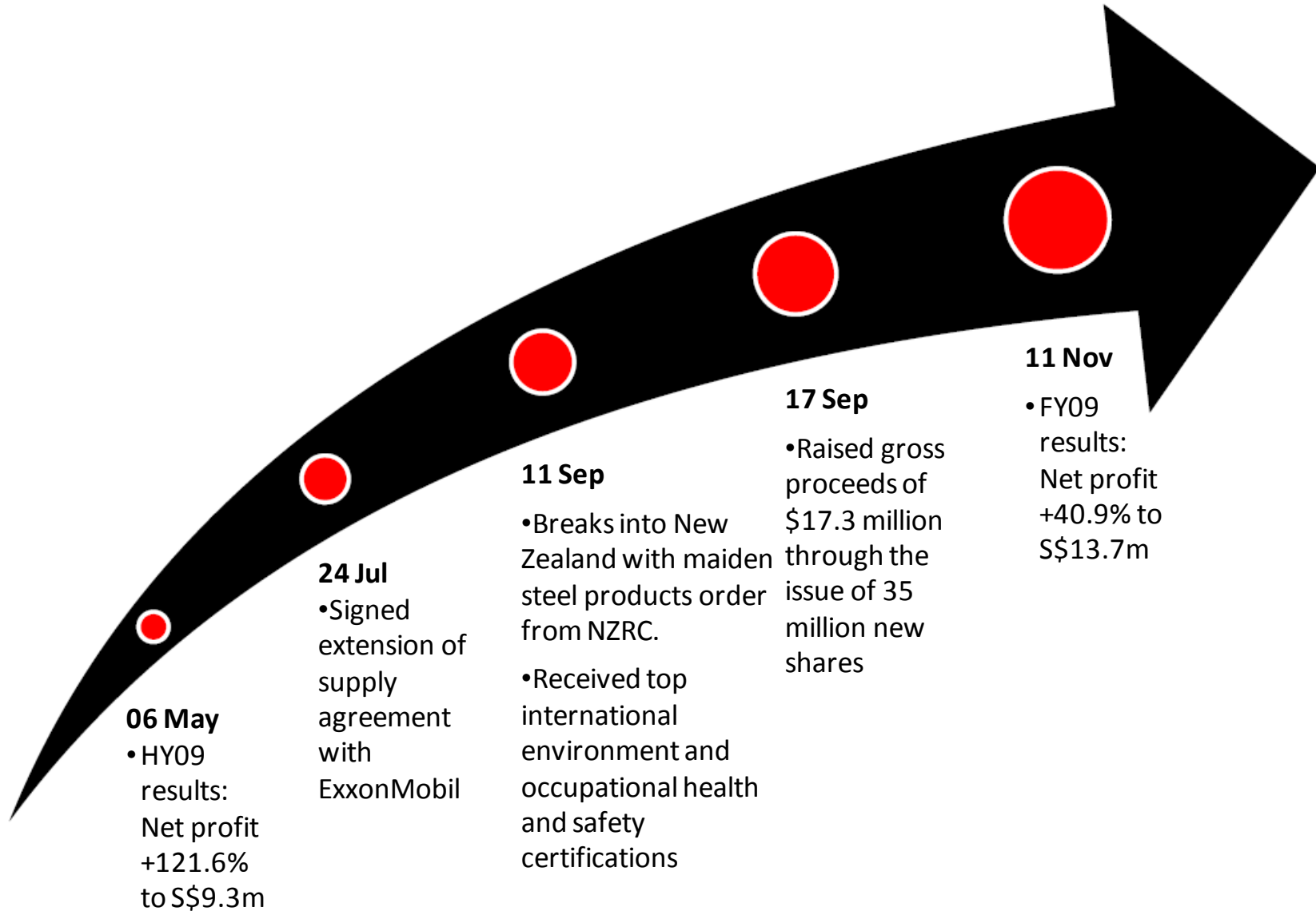


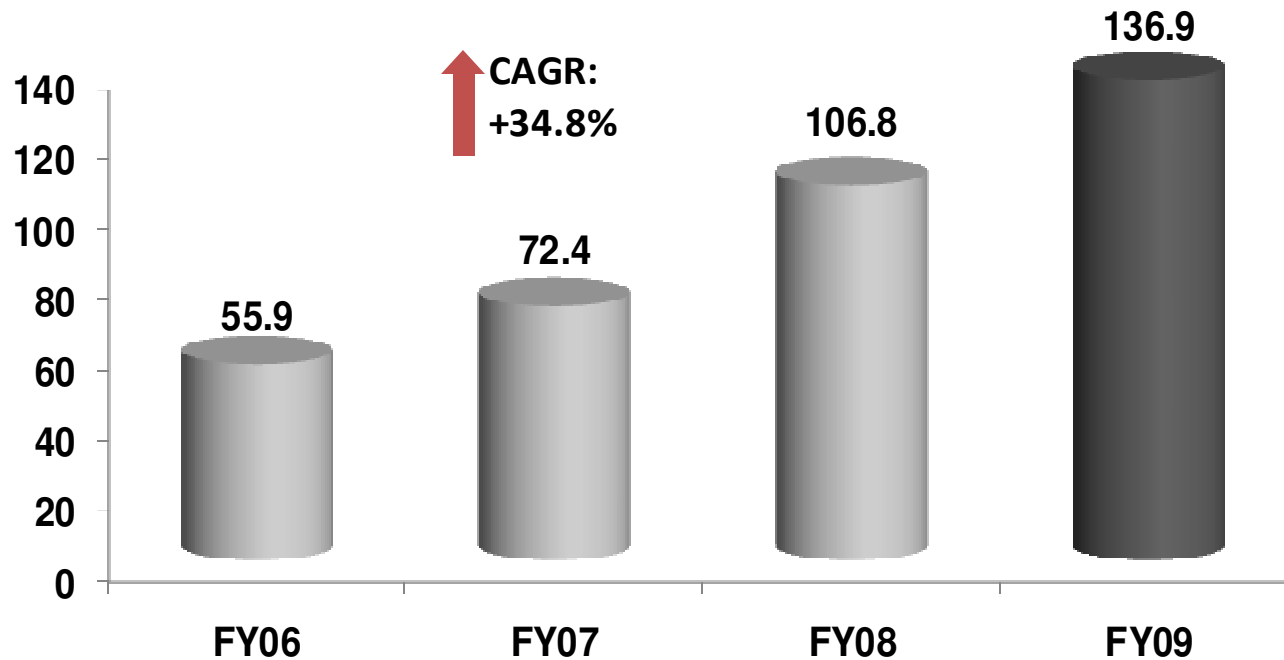


**CosmoSteel Holdings Limited  
FY2009 Financial Results  
11 November 2009**



## **FY2009: Highlights**

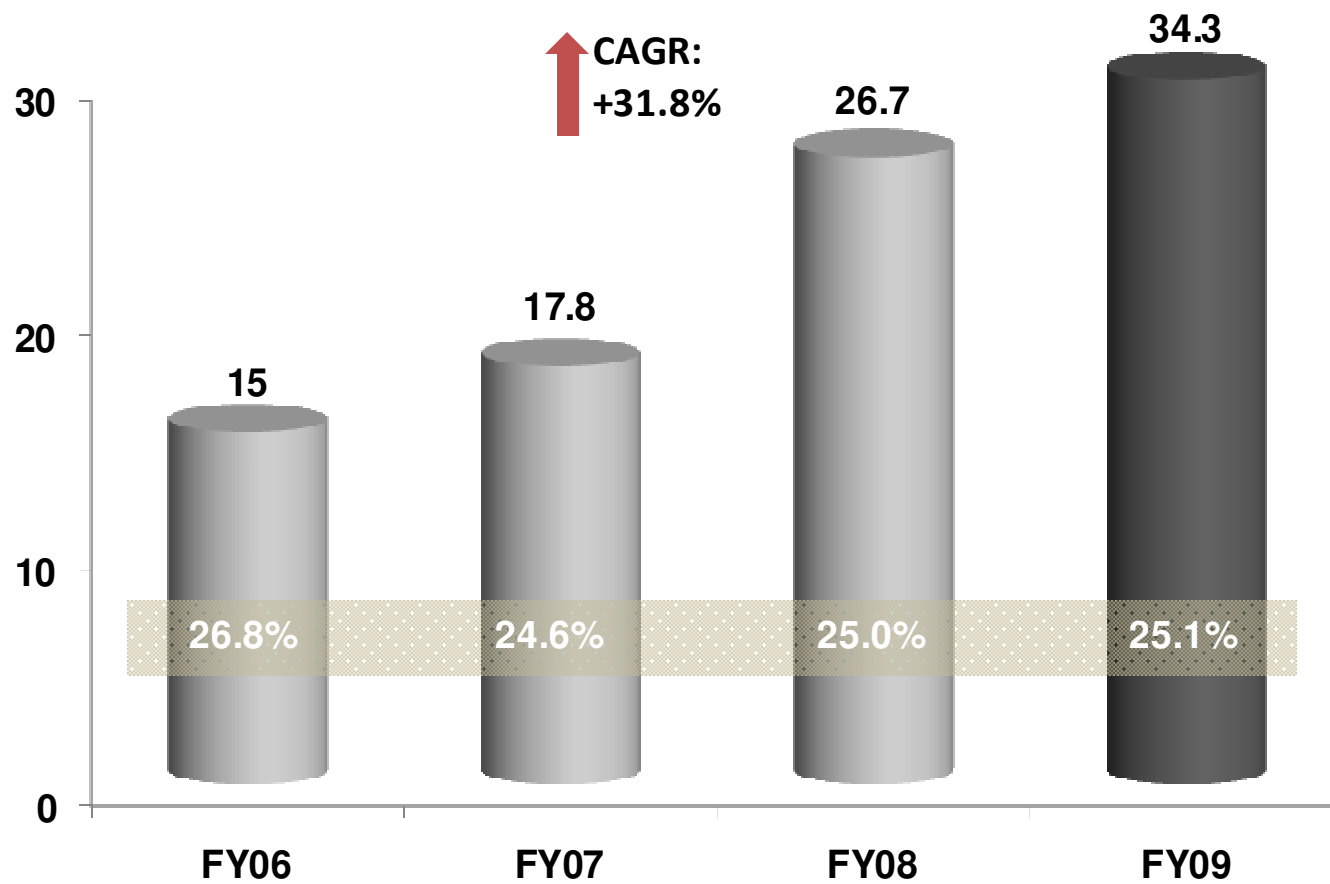


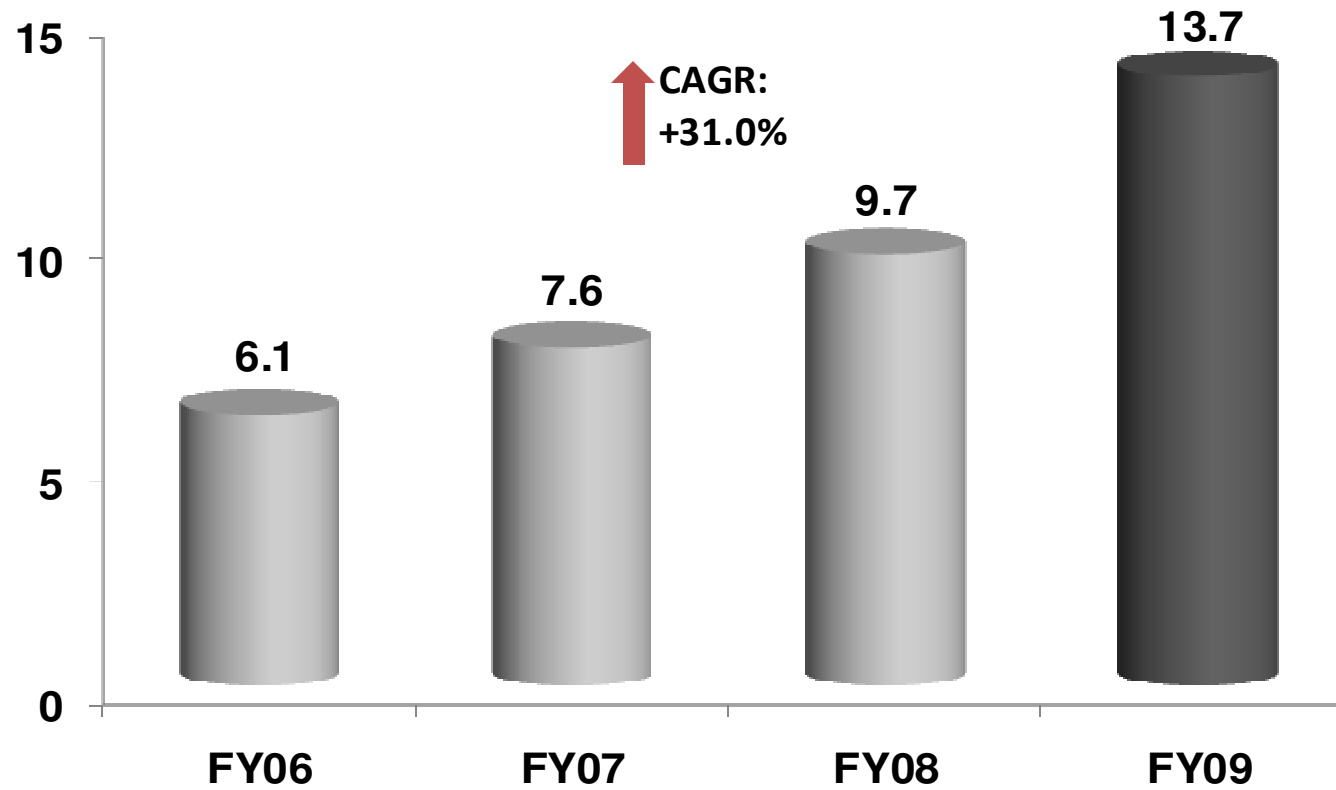


### FY2009 vs FY2008 revenue growth

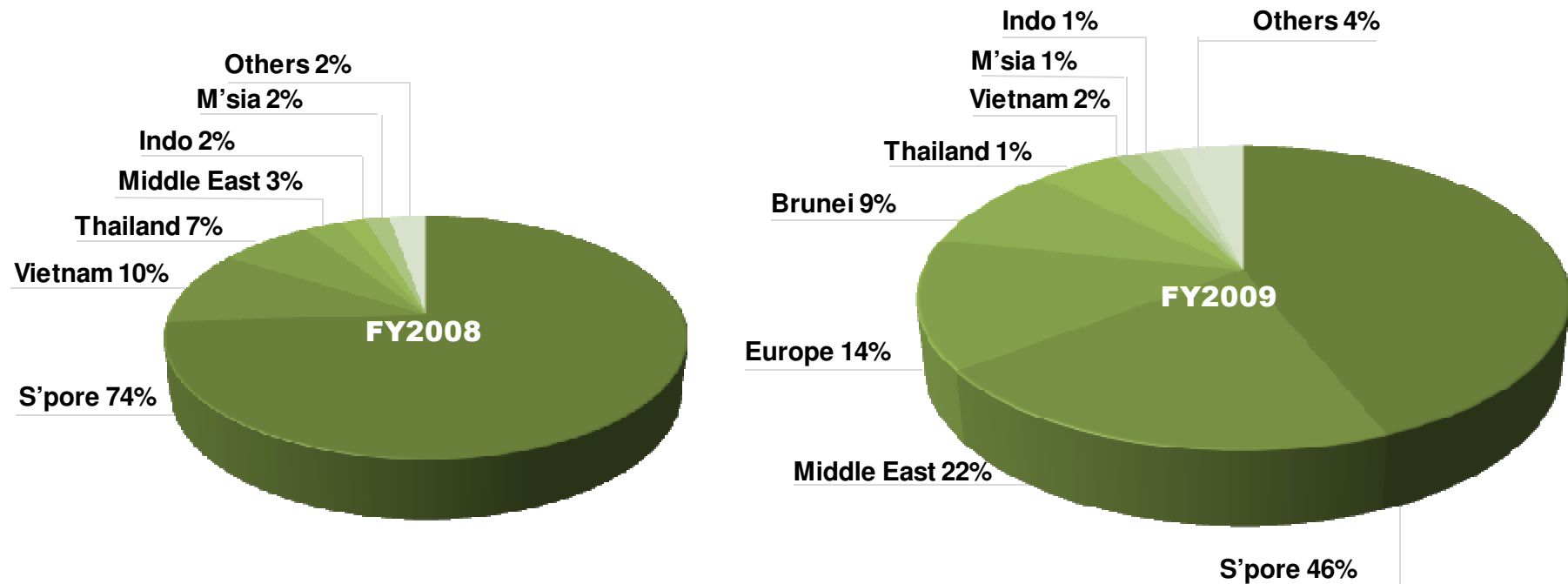
- Revenue increased by 28.2% to \$136.9 million due to doubling of contribution from Energy segment and strategy to expand inventory range

## Gross profit (S\$m) and margins (%)





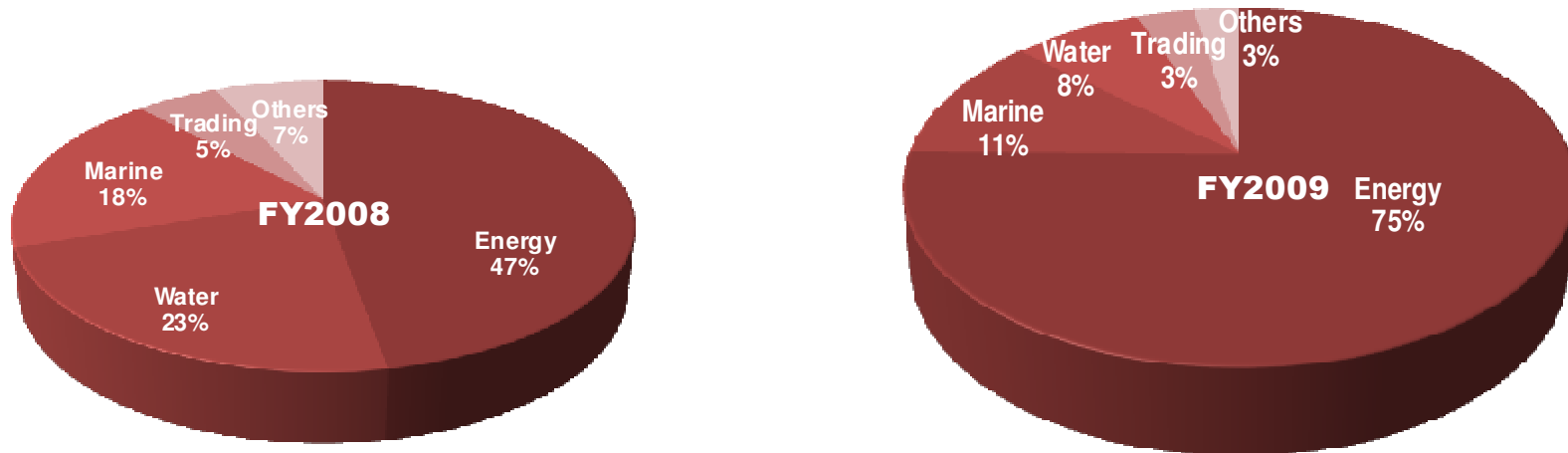
## Revenue by geographical market (%)



### FY2009 vs FY2008

- Increase in revenue from Brunei, Middle East and Europe which surged more than 20 times to S\$62.6 million.
- New customers in Brunei contributed S\$13.1 million in sales
- Sales from existing customers In Middle East and Europe increased to S\$26.7 million and S\$19.8 million respectively from S\$3.0 million and S\$15,000 in FY2008.

## Revenue by customer type (%)



### FY2009 vs FY2008

- Revenue from Energy segment increased 104.5% to S\$103.1m due to strong sales from existing customers and new customers
- Revenue from Water segment in FY2008 not repeated in FY2009 due to completion of bulk of pipe supply project with a large public sector customer in FY2008



<b>Profitability Ratios (%)</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
Return on Total Assets	20.04	17.28	15.45
Return on Equity	29.74	26.35	23.54
<b>Efficiency Ratios (Days)</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
Trade Receivables Turnover	100	89	72
Trade Payables Turnover	141	175	164
Inventory Turnover	142	190	232
<b>Liquidity Ratios (Times)</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>
Current Ratio	1.99	1.63	2.4
Gearing ratio	0.93	1.33	0.86

# **Strategies**



Expand product range and value-added service capabilities

**Business focus:**

- Energy
- Marine
- Water infrastructure

**Market focus:**

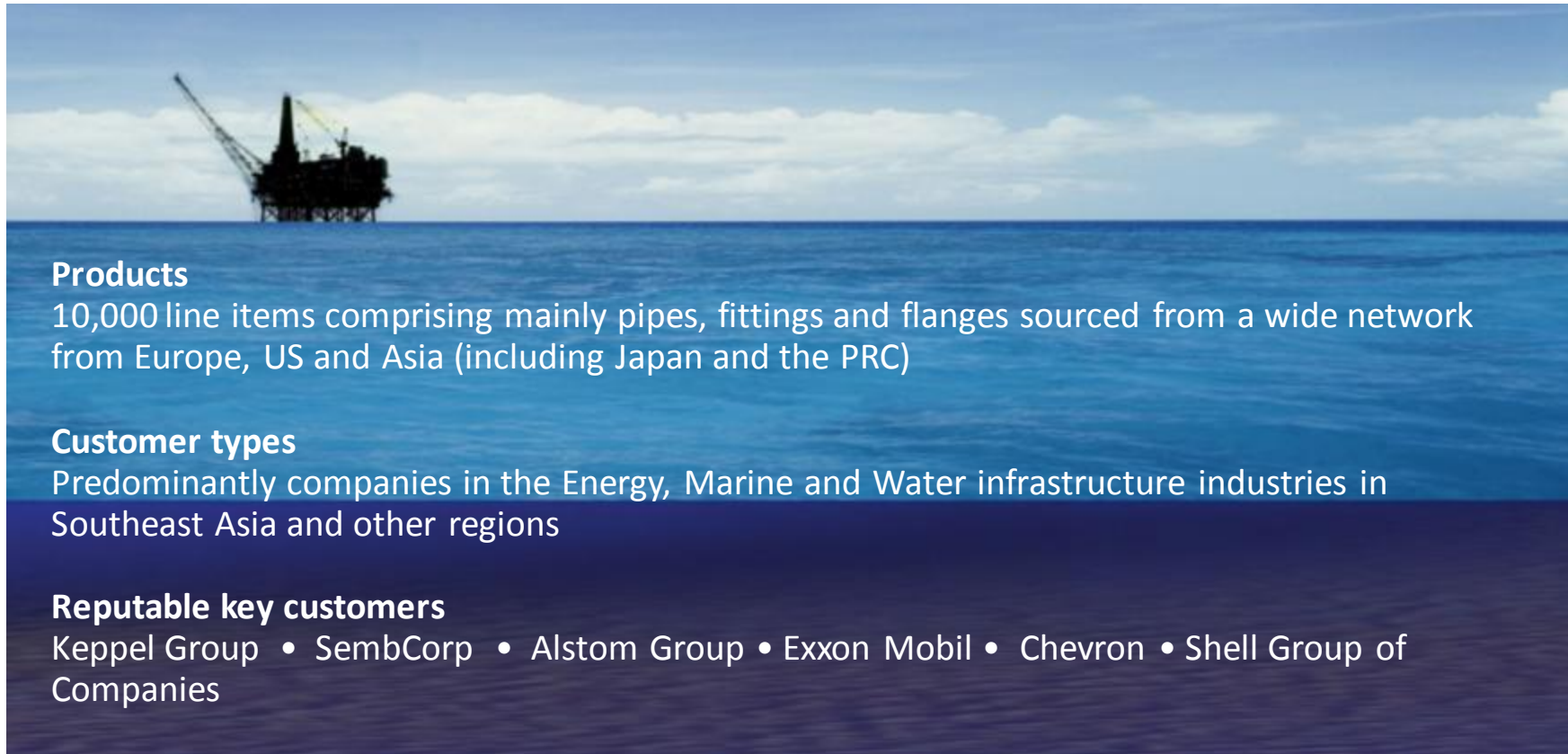
- Asia Pacific
- Middle East

**Final tax exempt cash dividend:  
\$0.01 per ordinary share**



## **Corporate Profile**

**A leading supplier and distributor of piping system components to the Energy, Marine and Water infrastructure industries in Southeast Asia and other regions with an established track record of close to 30 years**



### **Products**

10,000 line items comprising mainly pipes, fittings and flanges sourced from a wide network from Europe, US and Asia (including Japan and the PRC)

### **Customer types**



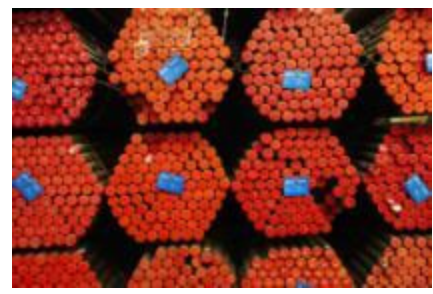


Predominantly companies in the Energy, Marine and Water infrastructure industries in Southeast Asia and other regions

### **Reputable key customers**

Keppel Group • SembCorp • Alstom Group • Exxon Mobil • Chevron • Shell Group of Companies

# Our products – Pipes, fittings and flanges

Approximately 10,000 line items mainly made up of carbon steel or stainless steel products...

<p><b>Pipes</b></p> 		<ul style="list-style-type: none"> <li>• Types: Welded • Seamless pipes</li> <li>• A conduit consisting of a long hollow steel object to hold and conduct liquids and gases</li> </ul>	
<p><b>Fittings</b></p> 	<ul style="list-style-type: none"> <li>• Types: Butt-weld • Forged outlet</li> <li>• Forged • Malleable</li> <li>• Steel object used to join 2 sections of a pipe or other fittings together</li> </ul>		
<p><b>Flanges</b></p> 		<ul style="list-style-type: none"> <li>• Types: Weldneck • Socketweld • Threaded • Slip-on • Blind • Lap-joint • Orifice</li> <li>• Protruding rim or collar to secure 2 or more pipes to strengthen existing piping system</li> </ul>	

## Energy industry



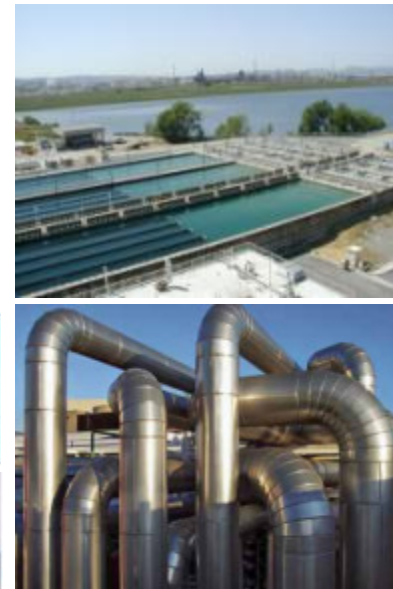
Our products are used for offshore rig fabrication (including jack-up and semi submersible-rigs), FPSO/FSO vessel conversion and building and onshore Energy facilities fabrication

## Marine industry



Our products are used for shipbuilding and repairs

## Water industry



We supply spiral welded pipes widely used in water treatment plants and other related infrastructure projects in Singapore and the region

## Traders

We sell our products to traders who on-sell them to other customers

## Others



Our customers in other industries include manufacturing and pharmaceutical sectors





← Location: 14 Lok Yang Way • Singapore

Use: Office and warehouse (with machineries to provide value-added services to customise products to customers' specific requirements)

Site area: About 10,346 sq. m.

Floor area: About 8,673 sq. m. (excluding voids)

Tenure: 60 years with effect from 16 June 1972

→ Location: 21A Neythal Road • Singapore

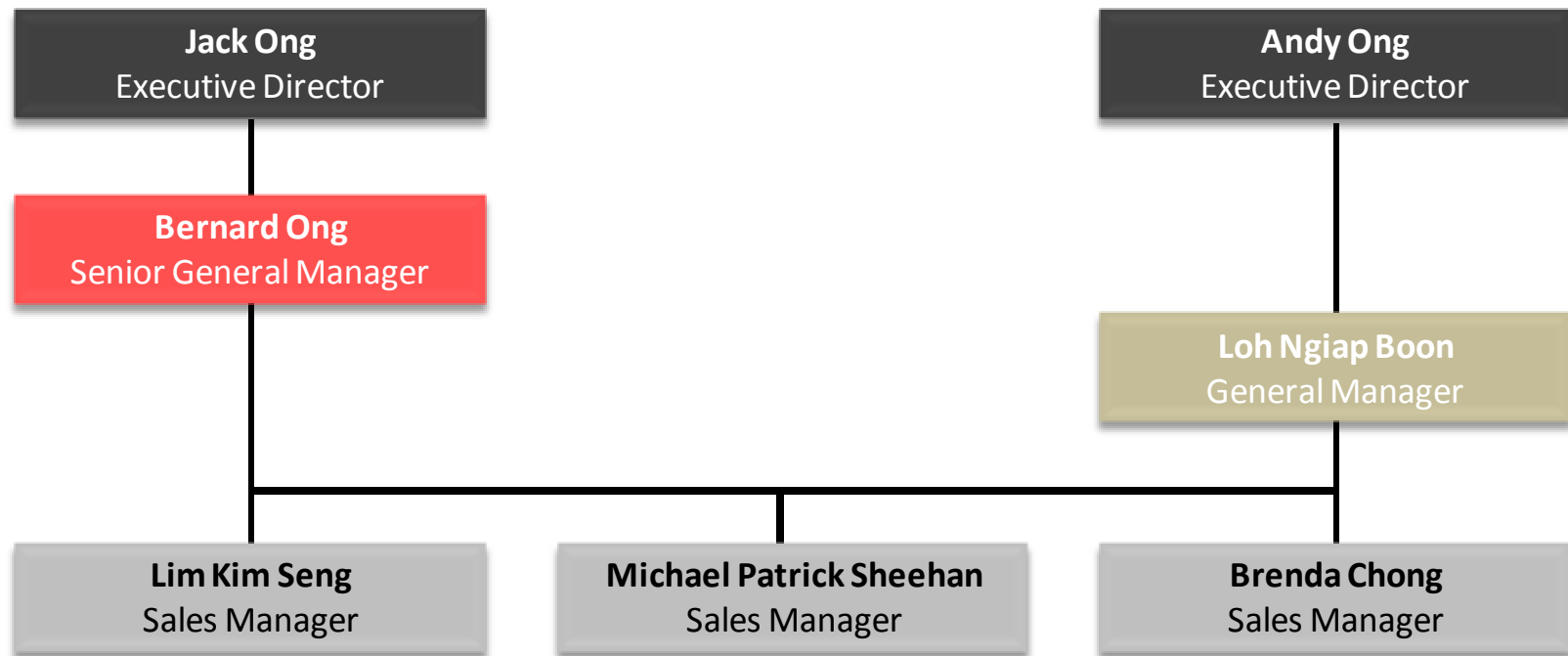
Use: Covered warehouse (*with machineries to provide value-added services to customise products to customers' specific requirements*)

Site area: About 10,382 sq. m.

Floor area: About 5,742 sq. m.

Tenure: *JTC lease with remaining tenure of 10 years*





- Managers each have an average of 20 years experience in our industry
- Established wide and valuable contacts and customers
- Each team assigned a dedicated customer portfolio which allows them to build and entrenched relationship with each of the customers

Inventory management process supported by integrated computerised system



## Benefits

Ready access to relevant historical and current data on:

- Sales transactions
- Purchases transactions
- Inventory and accounts

Established controls for inventory carrying policy such as:

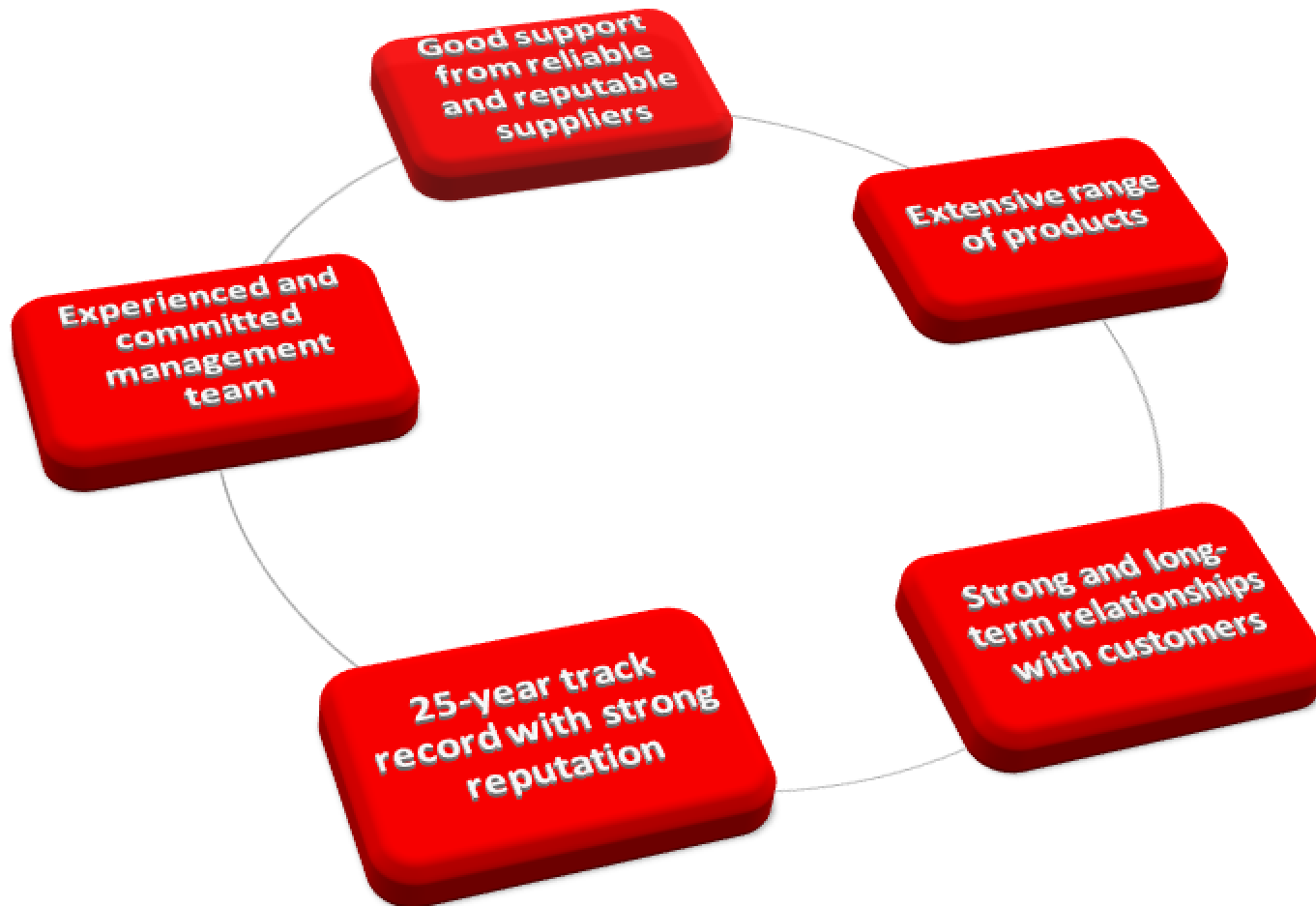
- Minimum holding quantities
- Standard reorder quantities

We are certified by BVQI for:

Sales, Supply and Machining of Piping System components

<b>Certification</b>	<b>For</b>	<b>Year awarded</b>
ISO 9002:1994	Quality Management System	2000
ISO 9001:2000	Quality Management System	2003
ISO 9001:2008	Quality Management System	2009
ISO 14001:2004	Environmental Management System	2009
OHSAS 18001:2007	Occupational Health and Safety Management System	2009

**World-class standards in Quality, Environmental and Health and Safety Management Systems has placed CosmoSteel in a strategic position to become a preferred business partner to customers, suppliers and business associates.**





**Thank you**

**Q&A**