



Charter International plc

Capital Markets Day Presentation

12 November 2008

**The Lincoln Centre
18 Lincoln's Inn Fields
London WC2A 3ED**



CHARTER

2.30 pm Introduction - Michael Foster, Chief Executive

2.40 pm ESAB

Keynote address - Jon Templeman, Chief Executive, ESAB Global

Case studies:

- Nazmi Adams, Global Marketing Director, ESAB Holdings
 - Peter Dodd, Managing Director, ESAB Europe
-

3.40 pm Break

4.00 pm Howden

Keynote address - Bob Cleland, Chief Executive, Howden Global

Case studies

- Ken Robinson, Sales Director, Howden Global
 - Thomas Barwald, Executive Director, Africa and Australia
 - Kevin Musgrove, Global Supply Chain Director
-

5.20 pm Concluding comments



ESAB

Jon Templeman
CEO, ESAB Global

12 November 2008
Investor Day

ESAB: Current Issues



- Strong growth in first three quarters of 2008
 - Consumables volume growth in European, South American and Middle East markets
 - Consumables demand exceeded capacity for most of this time
 - Strong Automation and Cutting sales in all markets
- Clearly, economic and financial conditions have recently deteriorated.
- We will respond decisively.
- We aim to exploit opportunities to grow market share.



Today's Presentation



1. Brief overview of the welding and cutting industry
2. Exploiting our strength in the wind tower manufacturing industry - Nazmi Adams
3. Following the money into developing markets – Peter Dodd
4. How ESAB has changed since the last recession
5. How ESAB will respond to a more challenging trading environment
6. Concluding comments



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Welding and Cutting Industry Overview

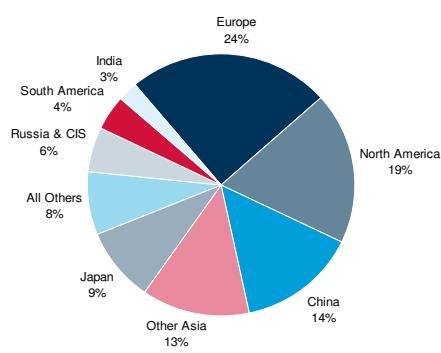


- Welding is used wherever two pieces of metal (usually steel) are joined.
- There is a natural synergy with cutting as the metal is often cut before being welded.
- Industry sales of approximately \$17 billion annually (2007 figures), split circa 60:40 between consumables and equipment.
- Established technologies, but R&D still plays a big role in developing new welding techniques and maximising weld performance and efficiencies.
- ESAB was established in Sweden over 100 years ago and has the strongest welding brand in the world.
- ESAB is one of two worldwide full service welding and cutting companies, with approximately 12% market share.

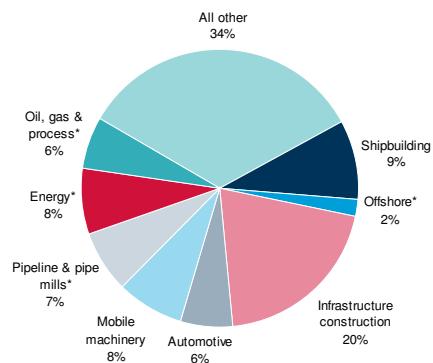
The Welding Market



By region



By end user segment



Source: ESAB estimates and forecasts

* Energy accounts for around 23% of welding industry sales

ESAB: Welding Consumables - the Electrode



- The traditional welding consumable used in manual welding applications.
- The welding electrode can be a very advanced product; approximately 60% of electrode sales are in welding critical applications which requires advanced technology and stringent process control.
- In Europe and North America, process conversion away from electrodes to wire is advanced, however a core volume of electrode demand remains for specialist applications.
- In emerging markets, usage of electrodes is more widespread and ESAB is looking to grow market share in these markets, partly through technology transfer.



ESAB: Welding Consumables – Welding Wire



- The welding consumable used in automated welding applications.
- Includes solid wires, and also flux-cored wires.
- A more standardised product than electrodes, but ESAB has developed a range of technologically advanced proprietary products.
- The Marathon Pac™ wire delivery system can offer truly non-stop production in robot applications, such as automotive production lines.



ESAB: Standard Welding Equipment



Mass produced welding equipment, generally for manual welding applications

- ESAB provides a range of standard equipment for manual and semi automatic welding applications
- The range covers most welding processes including welding with electrodes, solid or cored wires and TIG.
- There are a number of equipment families suitable for all requirements and environments, including Caddy™, Origo™ and Aristo™



MMA welding (electrodes)



MIG welding

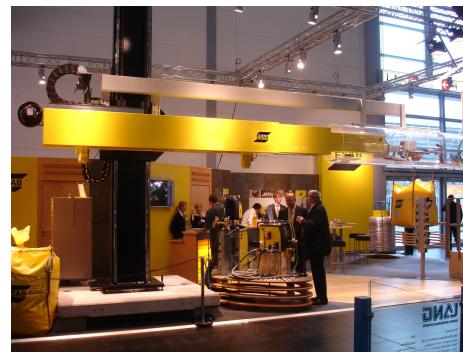


TIG Welding

ESAB: Automated Welding Equipment



- ESAB offers a wide range of solutions for mechanised and automated welding
- ESAB is well positioned for growth in the energy segment, which is further supported by the acquisition of Romar and the development of the new telescopic Column & Boom
- The new telescopic Column & Boom provides increased safety, accuracy and efficiency while consuming significantly less space than existing solutions



ESAB's new telescopic boom in a "see through pipe"

ESAB: Cutting Equipment



- Cutting techniques include oxy fuel, plasma, laser and water-jet, according to the type of steel being cut and the precision required.
- ESAB has developed a comprehensive range of machines, including a new range for emerging markets (FALCON), made in China
- Aftermarket business now contributing >30% of sales – strong focus to build rapidly.

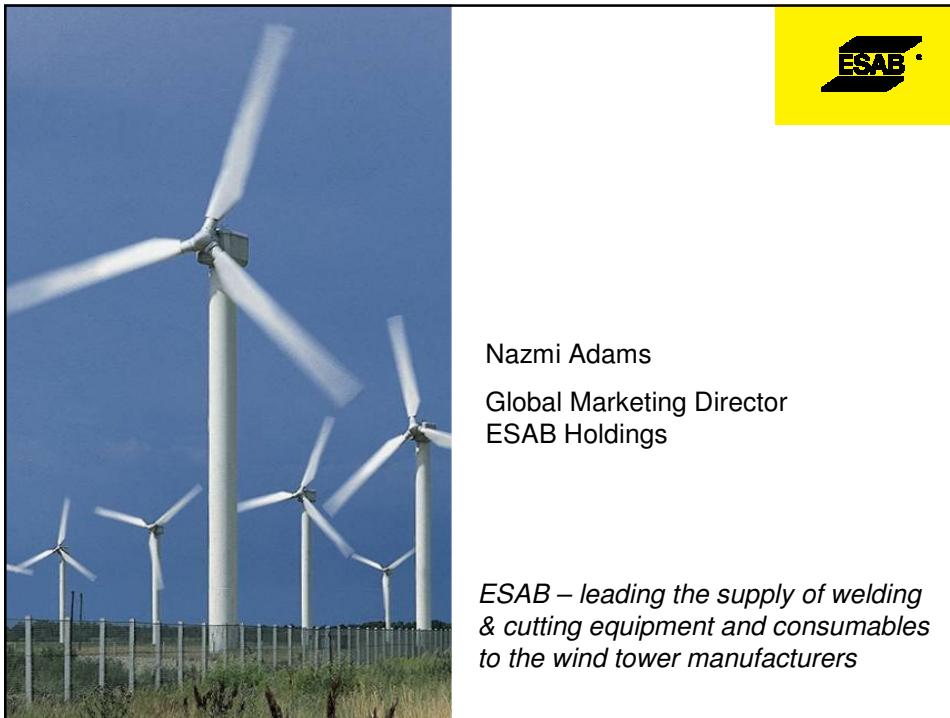


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Nazmi Adams

Global Marketing Director
ESAB Holdings

ESAB – leading the supply of welding & cutting equipment and consumables to the wind tower manufacturers

Wind Energy Today

■ Today's fastest growing renewable energy source

■ In 2007 the 1% benchmark of the global electricity production was passed

■ Plans to grow wind energy to 10% of national electricity supply have been adopted by many nations

■ Several EU countries and US states have adopted 20% targets

■ Driving forces remain the need to reduce CO₂ emissions and oil dependence

■ Lack of land availability is driving offshore wind towers in Europe

World Wind Energy - Total Installed Capacity and Prediction 1997-2010 [MW]

Year	Total Installed Capacity [MW]
1997	7,475
1998	9,663
1999	13,696
2000	18,039
2001	24,320
2002	30,164
2003	36,290
2004	47,693
2005	59,033
2006	74,153
2007	93,849
prediction 2008	115,000
prediction 2009	140,000
prediction 2010	170,000

Wind energy has enjoyed an average growth rate in excess of 20% for the last decade, currently at +25% p.a.

Wind Energy and the Welding Industry



- Wind tower manufacture requires extensive investment in welding equipment and continued expenditure on welding consumables.
- Wind energy capacity extension for 2007 was 20,000MW
- By 2012 this could well be 60,000MW
- Each MW of wind power consumes 700kg of weld metal and 600kg of welding flux.
- This would require 49,000t of weld metal and 42,000t of welding flux this equals €100m of total consumable spend

*Resulting in capital investments worth in excess of €120m pa
Within 5 years wind turbine manufacturing could surpass pipe mills as the main application field of Submerged Arc welding*



ESAB's position in the Energy Segment



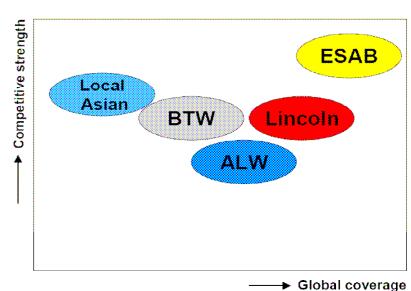
Estimated market share:

- Consumables ~ 30%
- Equipment ~ 40%

Already strong in Europe and North America – potential to develop our position in China.

Product offering:

- Cutting machines (Germany and USA)
- Automation (Sweden)
- Standard equipment (USA and Sweden)
- Handling equipment (Romar Singapore)



ESAB's key competitive strengths:

- Most global supplier
- Full product range
- Tandem twin SAW system
- Relationships with key customers
- Technology transfer – local consumables



ESAB is the global leading supplier of welding and cutting solutions to the wind energy segment.

Having the leading suppliers of wind tower manufacturers amongst our clients, we are ideally placed to continue to develop our offers ahead of competition.



Gaining New Business



In May 2008, an ESAB customer and largest global supplier of wind towers, Vestas, announced the construction of the world's largest wind tower production plant in Pueblo, Colorado, to be fully operational in 2010.

ESAB was selected to supply a full package solution:

- Design & development, service and support
- Full offer consisting of automated welding equipment, standard equipment, cutting machines, Romar handling equipment and welding consumables
- The most productive wind tower welding solution
- New advanced telescopic SAW technology
- Global presence and infrastructure

This is ESAB's largest single customer order for cutting, welding and handling equipment (~US\$22m)



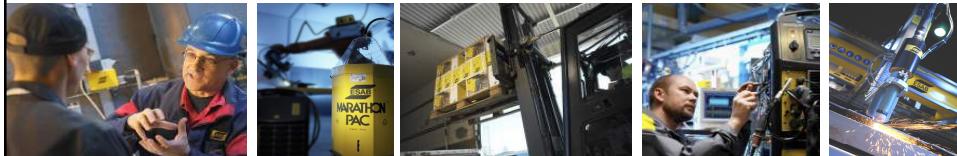
Conclusion



ESAB is very well positioned to exploit the opportunities in the growing wind tower segment.

We are able to leverage our competitive advantages of:

- Global footprint
- Full product range
- Advanced SAW telescopic technology
- Customer relationships and trust
- Knowledge of the industry through our segment approach.



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Peter Dodd

**Managing Director
ESAB Europe**

***Following the money into
new markets:***

- Russia / CIS
- Eastern Europe
- Africa

Russia / CIS: Rationale



- Russian welding market is expected to grow at 10% pa over the next 5 years
- The market in CIS States excl Russia has an estimated annual growth rate of 7% pa
- ESAB aims to become a market leader in Russia through:
 - developing sales in CIS States from a local presence
 - supplying locally produced quality goods to give a service/cost benefit to our customers
- ESAB's sales have grown tenfold since 2002
- On line to achieve our original business aspirations by the end of the decade

Russia / CIS: Principal “to dos”



- Continue to expand capacity in our factory in St Petersburg
- Evaluate potential acquisition in Russia / CIS
- Expand warehouse capacity
- Build sales presence in Ukraine, Kazakhstan, Belarus
- Build the equipment automation and cutting business
- Expand the distributor network
- Recruit the best available talent to support growth objectives

Eastern Europe: Turkey



- Population 70.5million
- Welding market size estimated to grow at 8% p.a.
- Strong growth potential in shipbuilding, construction, automation and pipemills
- Steel consumption has increased +50% in 2 years
- 65 shipyards today - expect 160 in 5 years
- ESAB will continue to increase its market share in all major sectors

Principal “to dos”

- Continue to expand our local sales organisation
- Expand our distributor network
- Sell Marathon Pac and Aristorod directly into the automation sector
- Sell cored wires and equipment into the shipyards
- Grow sales of subarc wire / flux into the pipemill sector
- Evaluate potential acquisition targets



Eastern Europe: Romania



- Market has grown 15% pa for 3 years
- ESAB aims to:
 - grow sales 8-10% pa over the next 3 years: and
 - increase market share
- Consolidate undisputed market leadership position in equipment, automation and cutting
- Sales company established earlier this year

Principal “to dos”

- Strong focus on selling to key customers in growth segments
- Appoint and train new distributors in all areas
- Product and process training programme for established distributors
- Increase the number of qualified ESAB sales staff



Eastern Europe: Bulgaria



- ESAB acquired Electrodes JSC in Ihtiman, Sofia in 2007
- ESAB aims to:
 - increase its total market share;
 - become the undisputed market leader for standard equipment, automation and cutting
- General growth trend of 8% pa in consumables and equipment

Principal “to dos”

- Maintain existing Electrodes JSC market share
- Increase market share in solid wires
- Grow direct sales to key customers
- Develop existing distributor into Service Partners
- Increase the number of distributors
- Introduce the distributor network to ESAB's advanced technology products and applications



Eastern Europe: The Balkans



Slovakia, Croatia, Bosnia & Herzegovina, Albania, Serbia and Montenegro

- Estimated steel consumption 3.3mt / year
- Estimated welding market value € 50m
- ESAB market share : 8%
- Strong shipyard segment (Croatia), growing automotive, strong railway/military segments and developing infrastructure and energy sectors
- ESAB aims to become the main supplier to key industrial segments

Principal “to dos”

- Increase sales representation across all countries from a local presence
- Recruited a manager from the local region to manage the transition process
- Expand distributor network in all countries
- Process training for all distributors
- Seminars and demonstrations for all important key segment customers



Africa: Rationale

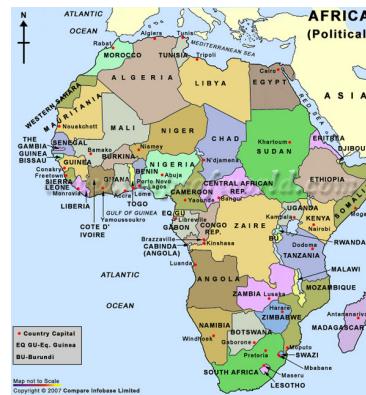


- 14% of the world's population live in Africa
- Africa accounts for 2% of the world's exports
- Oil is key to future growth:
 - 10% of world oil production
 - 7% of world oil reserves
- GDP growth is estimated at 6% annually
- Finished steel consumption doubled in the 10 years to 2005
- Steel consumption forecast to grow by 12-15% annually over the next 5 years
- Welding market growing strongly
- Local production capacity is very limited
- ESAB currently sells into 16 countries with 5% market share
- ESAB is relatively stronger in North Africa and South Africa
- Our target is to achieve 10% market share by 2015

Africa: Principal “to dos”



- Continue to develop sales in existing markets
- Take direct control of sales into Africa rather than using export houses
- Develop sales in West Africa in relation to oil – especially Nigeria
- Continue to appoint new distributors in local markets
- Review any potential acquisition opportunities
- Further opportunity is that Africa is an important source of natural gas



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How ESAB has changed since the last recession



ESAB in 2008 is a much stronger organisation compared to ESAB in 2002

- Stronger, more experienced management team
- Stronger financial position
- Re-energised and world leading brand
- Diversified product strength
- Increased geographic strength
- Developed a strong solutions selling capability

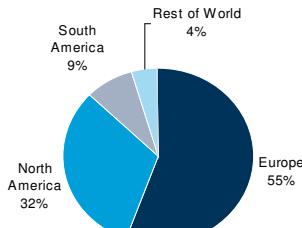


How ESAB has changed since 2002

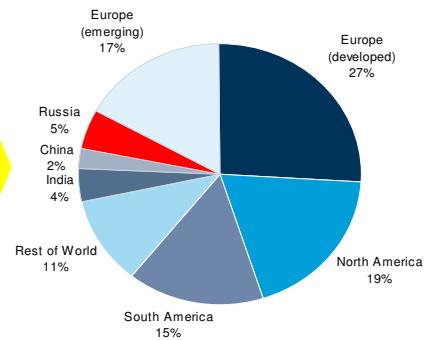


ESAB's sales are more widely spread, especially between developed and developing economies.

2002 – H1(total sales £300.6 million)



2008 – H1(total sales £615.4 million)

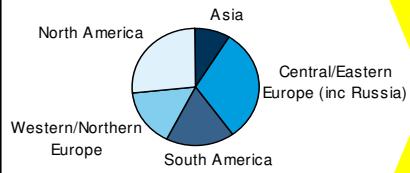


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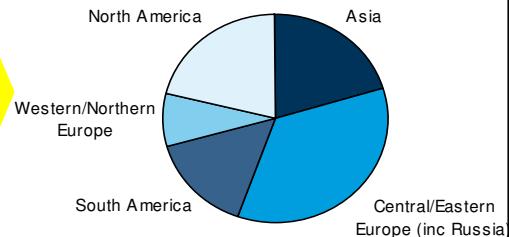


Since 2002, ESAB has invested substantially in consumables manufacturing capacity in lower cost emerging markets

2002 Capacity



2008 Capacity



ESAB: Europe – Manufacturing sites 2002



In 2002, ESAB still had a range of comparatively small plants throughout Europe

- Consumables factory
- Cutting and equipment factory



ESAB: Europe – Manufacturing sites 2008



In 2008, ESAB has established base – load high capacity plants which are supplemented by specialist and other factories and imports from ESAB China



ESAB: North America – Manufacturing sites



In 2001-02, ESAB was still suffering from the aborted offer by Lincoln which disrupted relations with suppliers and distributors.

In 2006, the North American business weathered a strike over labour practices at its Hanover facility. Following the strike, productivity levels at the plant have been improved.

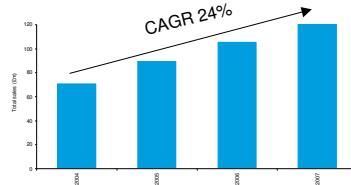
Hanover plant has been modernised

Local manufacturing is now supplemented by imports from ESAB China.

ESAB: South America



In 2002, ESAB's business in South America contributed only 9% of total sales, and the business was only 38% owned



- 2004: increased shareholding from 38% to 51% for £2.25 million
- 2005: acquired outstanding 49% of shares for £26 million
- 2007: acquired the Argentine welding business of Air Liquide for £4 million

ESAB: China – Manufacturing sites 2002

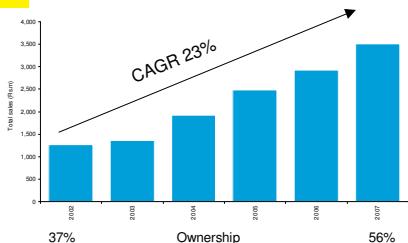


ESAB: China – Manufacturing sites 2008

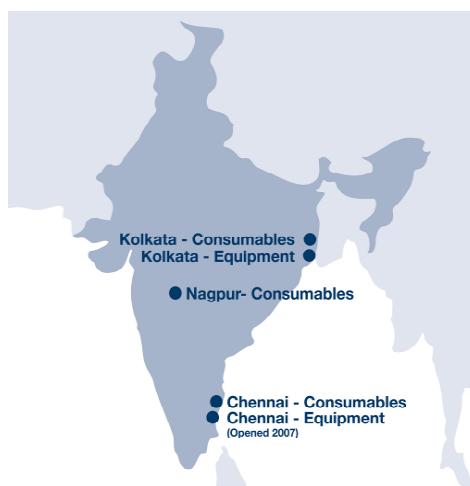
ESAB's manufacturing plants in China supply domestic and export markets.



ESAB: India



- ESAB India employs 750 people and operating out of five locations
- Head Office and Welding Consumables Divisional Offices are in Chennai
- Consumable plants are located in Chennai, Kolkata, Nagpur, Irungattukottai
- Equipment plant located in Kolkata and a new plant in Irungattukottai



Today's Presentation



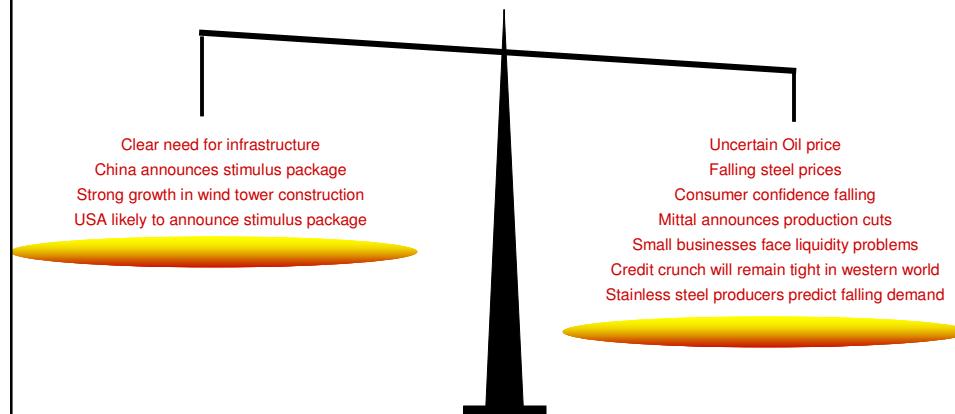
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There are currently opposing forces in the welding market



“We are currently reviewing our forecasts for 2009, which had been prepared this summer before current events. However, we continue to expect growth in steel demand in 2009 and for the medium term, above the world GDP growth rate.” **- World Steel Association.**
The next World Steel Association Short Range Outlook (SRO) will be issued in April 2009.



Responding decisively to turbulent conditions



Forward looking market information is key to informing capacity planning and business responses

- Welding consumables business operates like fine chemicals and industrial consumables business sectors.
 - Regular ordering by customers
 - Rapid order turnarounds
 - Non binding indication of future volumes
 - Significant proportion of sales through distributors
- Forward views for any particular segment is a combination of market indicators, dialogue with key customers, analysis of customer gains/losses and lagging product volume sales which are used in the capacity planning process.

Key market indicators used:

- Iron and steel forecasts
- Global and regional GDP
- Shipbuilding forecasts
- Offshore platforms / rigs to be built
- Global energy requirements
- Oil / gas pipeline monitors
- Forecasts from the motor vehicle, truck and bus industries
- Purchasing managers' index

Monitoring key customer groups:

- Regular dialogue with key accounts
- Product customer data trend analysis

Responding decisively to turbulent conditions



Developing operational contingency plans for anticipated scenarios – or accelerate elements in 2009/2010 strategy

Manufacturing

- Monitor volume trends by region.
- Corresponding reconfiguration of our manufacturing supply networks
- Move manufacturing to lower cost environments
- Cease third party outsourced products and manufacture in-house
- Selective plant closures or mothballing to maximise plant utilisation globally

Labour

- Shift reduction at selected plants
- Flexible working practices
- Extend December factory shut downs

Raw Materials

- Raw material and finished goods stock reduction
- Aggressive cost down initiatives on major raw materials

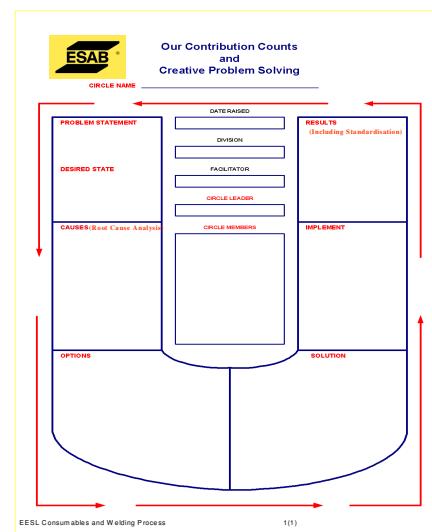
Overheads

- Overhead cost reduction

Responding decisively to turbulent conditions

- Accelerate LEAN in ESAB
 - Increase efficiencies
 - Manufacturing base
 - Target back office functions

- Review capital expenditure
 - Capacity expansion projects are effectively complete (only very selective projects remain)
 - Emphasis on accelerating cost reduction projects



Barriers to entry will provide some protection

Brand

- ESAB is the strongest welding brand
- National pride in core European markets

Customer Relationships

- Long term relationships built on trust and finding the optimal welding solution for each customer's needs
- Ability to provide support and service in different locations

Regulatory Approvals

- Many are required (e.g. REACH, CE marks)

Distribution

- ESAB's extensive network can not be reproduced

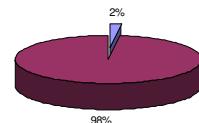
Disincentive to change supplier

- Welding consumables generally constitute approximately 2% of fabrication cost but a weld failure can be catastrophic.

Technology

- Welding and cutting are naturally high technology activities
- ESAB has industry leading expertise

Approximate proportion of welding consumables in fabrication



Welding consumables constitute, on average approximately 2% of total fabrication costs.

But catastrophic should this failure occur in-situ.

Taking opportunities in bad times and doing even better when conditions improve



- ESAB expects to be in a position to seize opportunities in an industry downturn
 - ESAB is better positioned than during the previous recession
 - ESAB expects to continue to grow market share at the expense of weaker players
 - Distributors of products become more risk averse and favour established brands
 - Liquidity will negatively impact smaller manufacturers and distributors
- Declining raw materials costs may help support consumables margins
 - Improved purchasing power

Summary



2009 will be a lot tougher. We will:

1. Reduce manufacturing capacity and reconfigure plant networks
2. Reduce raw material and finished goods stocks
3. Reduce overhead costs
4. Delay non-essential CAPEX
5. Exploit opportunities to grow market share

ESAB is a much stronger organisation compared to the ESAB in 2002. It is much better positioned to deal with a downturn.

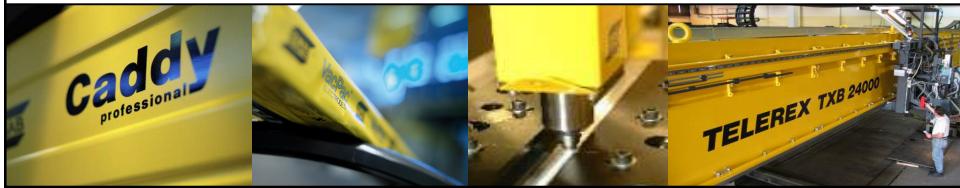
- We are one of the world's leading welding companies, and year to date, have grown and won market share.
- Balance sheet strength
- Strong position in BRIC countries with our own Chinese supply base.
- Stronger, more experienced management team
- Developed a strong solutions selling capability

We expect growth to pick up after the downturn and ESAB is well positioned to resume its growth plans.





Questions?





HOWDEN

Charter Investor Day

Bob Cleland – CEO, Howden Global

12 November 2008

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The Company

Analysis

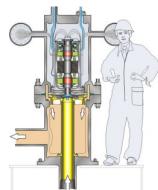
Strategy

Summary

The Company A History of Innovation



James Howden



3

The Company Products and Services



High integrity fans, heat exchangers and compressors for key industries which demand the highest levels of efficiency, reliability and availability



Centrifugal fan



Axial fan



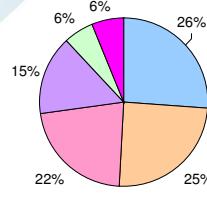
Rotary heat exchanger



Compressor



Cooling fan



Sales by product

4

The Company Markets



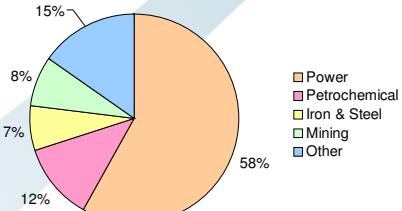
We operate in a wide range of industries, many of which underpin today's modern industrial society.



Power Generation



Petrochemicals



Sales by industry



Mining

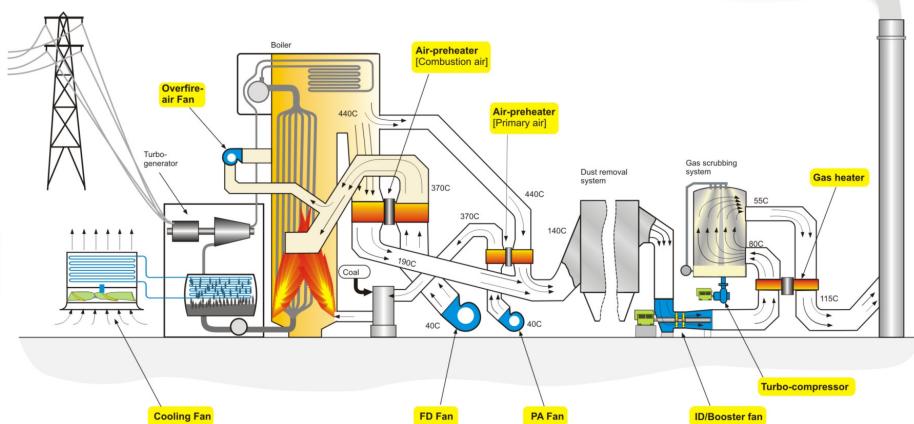


Iron and Steel

5

The Company

Howden Products on a Typical Coal Fired Power Station



6

The Company

Potential Contract Value



The potential sales value for Howden equipment on a large plant varies significantly by industry

Plant type	£m
Large coal fired boiler in Europe *	£5.5
Retrofit FGD plant on large boiler in Europe	£4.2
Major sinter plant in China (UK supply) **	£2.0
Large waste water treatment plant	£1.0
5000MT/yr cement plant in Europe	£0.8
Large coal mine in China	£0.3

* Excludes FGD. Prices in China are 50-65% of those in Europe
** Includes drive system

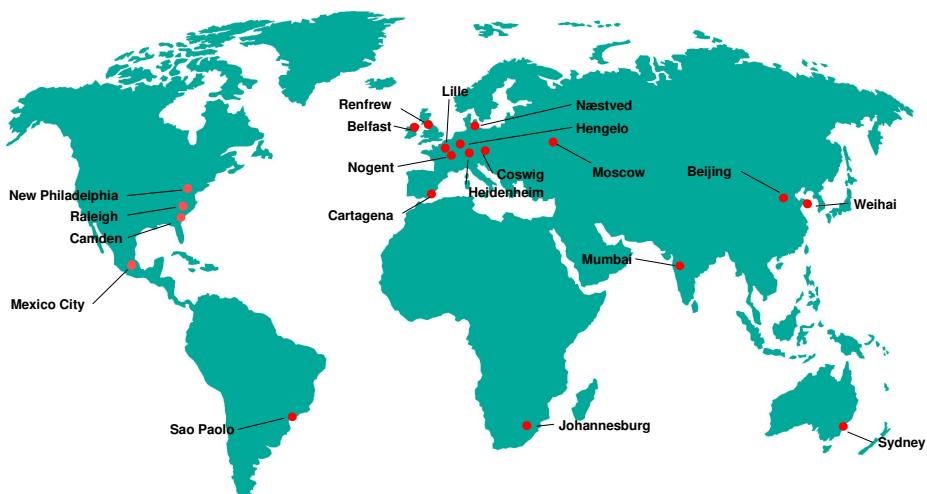
7

The Company

International Reach



We employ 3500 people in 17 countries on 6 continents.



8



ANALYSIS

Analysis Market Conditions



Year to date the industry as a whole is running at very high levels of activity. Supply chain bottlenecks have had to be carefully managed

Power industry

- End users generally financially strong
- Capital shortage could impact new build
- Older, less-efficient plant may be replaced more slowly
- New and replacement capacity must be built
- Security of fuel supply may favour coal

Other industries

- Investment in petrochem at historically high levels
- Ending of commodity boom will reduce demand for new steel mills
- New coal mines to supply new power stations
- Other mining is likely to be less active

Analysis Market Conditions



The coal fired power generation market is expected to remain healthy with some regional variation in conditions

Europe

- Germany leading the way in replacing life expired capacity
- EU legislation will drive installation of DeNOx equipment

North America

- Clear Air Act continues to drive SOx reduction
- Successor to CAIR to follow
- New build projects being delayed by objectors

China

- Electricity demand being driven by GDP growth
- Current 5 year plan includes DeNOx
- China 1500 kWh per capita -v- OECD 8000 kWh per capita

Other regions

- India planning 16GW per year
- South East Asia: 12GW of coal fired boilers ordered in 2007

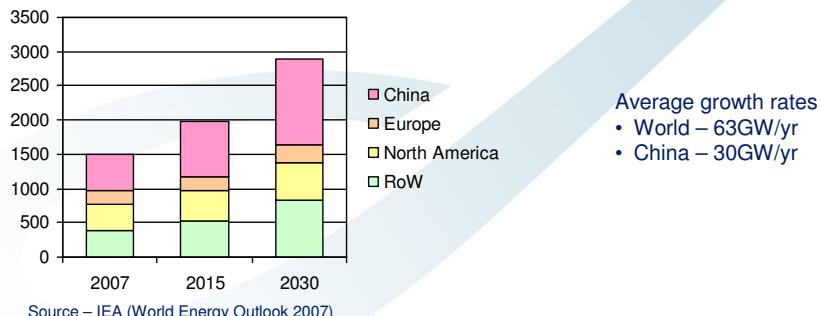
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Analysis Growth in the Power Generation Market



The long term trend for Howden in the power generation industry is forecast to remain strong for the next 20 years

Forecast expansion of coal fired generation capacity, GW



12

Analysis Major Environmental Legislation



The EU -Large Power Plant Directive will create around 80GW of axial booster fan retrofit market to meet 2016 NOX emission limits

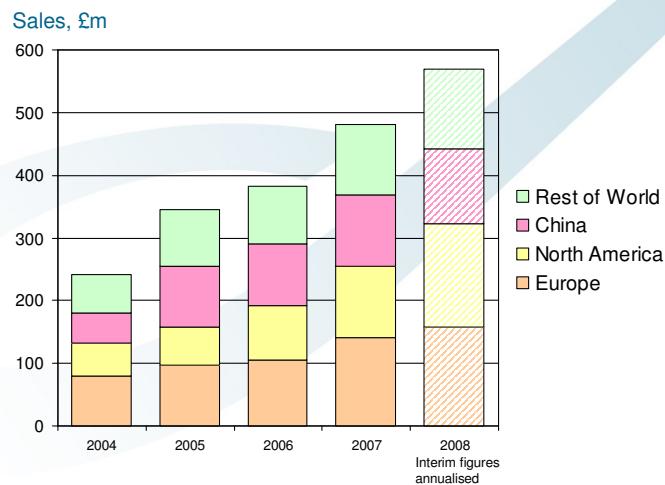
The replacement to CAIR legislation may create a 100GW SOX reduction market together with a 200GW NOX market over a 5-10 year period

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Analysis Sales Growth



Howden's surge in sales from 2004 was driven by China. Recently sales are more balanced between Europe, North America and China

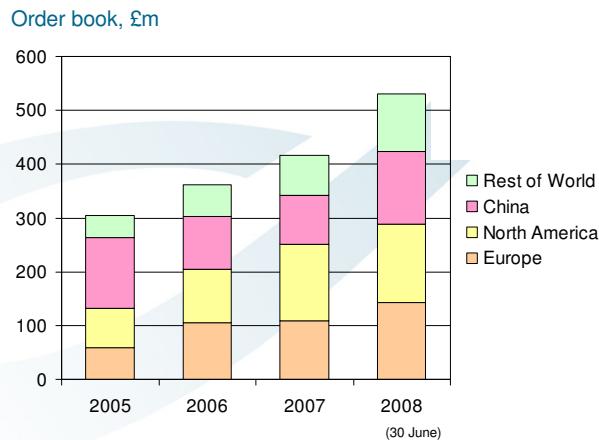


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Analysis Order Book by Region



An easing in N America growth is more than compensated by recovery in China and general growth elsewhere, with consequent lead time extension



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Howden Global focuses on
key infrastructure markets
which exhibit long term
growth



STRATEGY

Strategy Vision and core competencies



Howden will continue to be the global market leader for an expanding range of air and gas handling products.

By investing in our people we will effectively leverage our brand strength, application engineering skills, global reach and installed base to deliver competitive solutions and excellent service levels to customers in a broad range of industries where quality and reliability are paramount

Core competencies

- Reputation
- Application engineering
- Knowledge transfer
- Global cohesion
- Risk management

Project DART was instigated in March 2007 to
Double Annual Results by Twenty-twelve



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Our strategy focuses on market segments suitable for core Howden products where we can grow market share – organically and by acquisition

Expansion in key segments

- Petrochemical
- Ethanol
- Aftermarket

Geographic expansion

Emerging processes

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Strategy

Strengthening the Business



We will focus on key disciplines which strengthen our business and underpin our strategy

- Human resources
- Supply chain
- Information technology
- Environmental health and safety

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Strategy

Strengthening the Business - Howden Academy



Howden Academy is designed to give new engineers a rapid and effective introduction to our products, applications and practices

Howden Academy is a wide-ranging, meticulously structured modular training programme using specially created course materials and delivered through a partnership with Glasgow Caledonian University



Learn / Experience / Achieve

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6 months ended 30.6.08 30.6.07			Growth	Year ended 2007 2006 (restated) ¹⁾		
	£m	£m		£m	£m	Growth
New equipment	215.1	172.5	+25%	358.8	319.3	+12%
Aftermarket	69.3	54.7	+27%	121.5	110.2	+10%
Revenue	284.4	227.2	+25%	480.3	429.5	+12%
Operating profit	31.6	27.7	+14%	57.6	50.3 ²⁾	+15%
Operating margin	11.1%	12.2%		12.0%	11.7% ²⁾	

Revenue bridge 2006 - 2007

Notes

1) The 2006 comparatives have been restated to reflect the change in accounting for post retirement benefits
 2) Excluding profit on a property sale

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Financial
Revenue by Destination



	6 months ended			Year ended		
	30.06.08		Increase	2007		Increase
	£m	£m	%	£m	£m	%
North America	83.1	50.2	+65.5	114.8	87.6	+31.1
Europe	78.7	66.6	+18.2	140.6	100.5	+39.9
China	59.3	58.7	+1.0	114.1	148.9	-23.4
South America	9.9	6.8	+45.6	15.4	12.6	+22.2
Rest of world	53.4	44.9	+18.9	95.4	79.9	+19.5
Total sales	284.4	227.2	+25.2	480.3	429.5	+11.8
Memo: increase at constant exchange rates			+19.0			+14.6

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Financial
Return on Net Assets Employed



£m	2006	2007
Net assets employed	39.6	51.8
Revenue	429.5	480.3
As multiple of net assets employed	10.8x	9.3x
Operating profit	55.1	57.6
As % of net assets employed	139%	111%

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Summary
Key Messages



The market for our products is growing throughout the world
We have a high market share in our fan and heater products
Aftermarket is the single biggest opportunity for Howden Global
Compressors in petrochem is the biggest opportunity for new equipment
Product extension will allow access into a larger compressor market.
Supply chain development will be key to maintaining competitiveness
Recruiting, training and retaining staff is a top priority

Speakers



Bob Cleland
Chief Executive



Ken Robinson
Sales Director



Thomas Barwälde
Executive Director
Africa and Australia



Kevin Musgrove
Supply Chain Director

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NEW MARKETS

Charter Investor Day
Ken Robinson – Sales Director

12 November 2008

New market opportunities
BRIC countries

Howden has positioned itself to take advantage of large developing economies

Brazil, Russia, India, China

Howden has been established in China for over 30 years

Opportunities to capitalise on other BRIC country



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New market opportunities Brazil



A significant economy where Howden already has a strong presence

Fifth largest country in the world

Population over 185m

GDP per head greater than either India or China

Exploitable natural resources – Iron Ore, Gas and Oil

A world leader in the sustainable production of biofuels (bioethanol)

Developed industrial base

3

New market opportunities Howden South America



Howden South America is located in Sao Paulo, southeast Brazil

Custom engineered fans, compressor packages, heat exchangers

Main markets - power generation, steel and petrochemical

Particular expertise in the supply of iron ore pelletising and sinter plant fans

Average annualised growth in volume and profit of over 20% in the past three years

Recently acquired Brazilian fan business, Aeolus, provides a platform for further expansion in the Ethanol market.

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New market opportunities Company Acquired - Aeolus



Company acquired Aeolus Industria e Comercio Ltda
Established More than 20 years,
Products Industrial fans
Acquired 22 August 2008.
Based in Itatiba, State of São Paulo,
Main markets Ethanol, pulp/paper, cement,
Employees 80



Facilities include a modern 2000m² fabrication shop



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New market opportunities Biofuel market - Brazil



The bioethanol market in Brazil is a major opportunity for Howden in South America

Currently 7m hectares of sugar cane planting, government plans for a further 5m hectares over the next 10 years

86% of Brazilian vehicles can run on bioethanol

85 new sugar mills have come on stream since 2005

60 more scheduled to begin operation by 2010

Opportunities for boiler fans and heater exchangers

Annual market size for Howden equipment is £20m

Credit restrictions may slow market development

Source: F.O. Licht's World Ethanol and Biofuels Report Oct 08

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New market opportunities Russia



A country requiring major investment in expanding and improving its infrastructure

Eighth largest economy in the world

Population over 143 million

Average GDP growth of almost 7% since 1999

Vast reserves of oil and gas and minerals

World's largest energy exporter

Infrastructure overdue for modernisation

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New market opportunities Howden Russia



Howden Russia was formed June 2007 and is based in Moscow

Howden Russia was formed June 2007 and is based in Moscow

Currently 12 staff covering Sales, Engineering, Project Management and Translation

Opportunities identified for:

- Tunnel and mine ventilation fans
- Fans and heat exchangers for power plant boilers
- Compressor packages for oil, gas and petrochemical applications

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New market opportunities India



India is one of the World's fastest growing emerging economies

Population - 1,124 million

Economy is 12th largest in the world

Strong economic growth has allowed the government to undertake large spending programmes

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New market opportunities Howden India



Howden India was formed in 2007

Currently 14 engineering staff in two offices in Mumbai & Delhi

Power plant market currently buoyant

- 80GW of coal fired capacity for completion in 2012
- a further 80GW to follow over the next 5 years
(80GW equates to a £480m market for fans and heaters)

A good opportunity for fans and heat exchangers

- particularly as import duties have been lowered for large boiler plant

20 year history of supply large heavy duty fans for steel plants

Opportunities exist for compressors where a number of partnerships exist.

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New market opportunities

Strategy summary



Increasing our presence in high growth regions will allow us to capitalise on opportunities as they emerge

Brazil

- Aeolus, fan company acquired

India

- Offices established in Mumbai and Delhi. 14 employees recruited.
- New business being won for power and steel applications

Russia

- Moscow office established in Moscow with staff of 12.
- New business being won, and support provided for existing business

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AFTERMARKET

Charter Investor Day

Thomas Barwald – Executive Director

12 November 2008

Aftermarket Definitions



All activities to maintain, modify, upgrade and extend the product performance and operational life

Howden undertakes aftermarket work on

Fans, heaters, and compressors

- Primarily supplied by Howden but also supplied by other manufacturers

Howden products are custom engineered

- Critical to plant availability
- Operating 24/7 in challenging environments

Aftermarket requirements

Planned and unplanned maintenance

- Requiring efficient and experienced staff for fast turnaround

Engineered upgrades

- Increase output
- Reduce power consumption
- Reduce maintenance
- Increase reliability

Aftermarket

Strengthening our aftermarket offering



Customer profile

- Typically a plant operator (end user)
- Needs support on parts and maintenance resource
- Appreciates advice on potential improvements and upgrades

Competitiveness

- Engineered equipment and critical application - Fewer but sophisticated competitors

Solution engineering

- Improving design and material of wear parts
- Improving output performance and plant efficiency
- Equipment failure analysis and solution finding

Selling

- Services require skilled and experienced personnel
- Modification and upgrade require equipment and wider process plant knowledge
- Locate close to customer
- Close customer relationship ensure sustainable order pattern

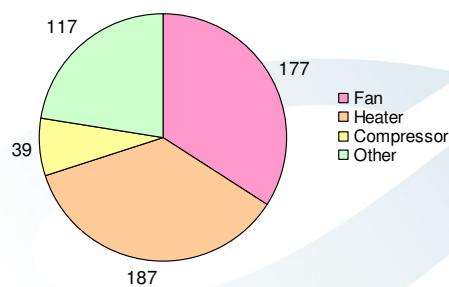
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Aftermarket

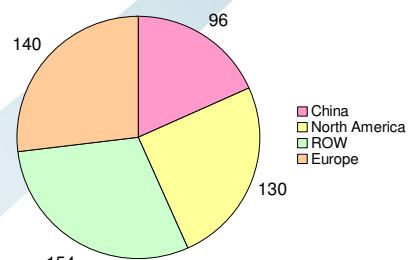
Market Size 2007



Aftermarket size by product - £m



Aftermarket size by region - £m



The figures include spares, service, retrofit and work on plant not originally supplied by Howden

Source – LEK Consulting and Howden business units

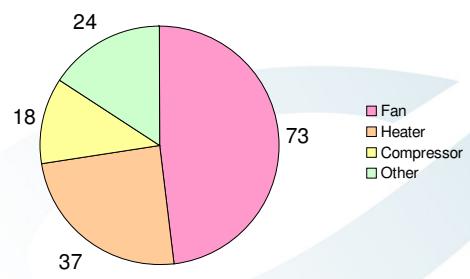
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Aftermarket Sales 2007

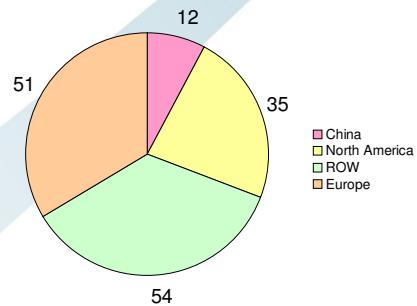


The aftermarket contributed 29% of sales in 2007 and saw a 25% growth in the first half of 2008

Aftermarket sales by product - £m



Aftermarket sales by region - £m



The figures include spares, service, retrofit and work on plant not originally supplied by Howden

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Aftermarket Annual Revenue by Product



Selling new equipment creates a potential revenue stream at higher margin over the operating life, typically 30 to 40 years

Product	Annual revenue
Centrifugal fan, power	4%
Centrifugal fan, steel	8%
VP axial fan	4%
Rotary heat exchanger	6%
Screw compressor system	2%
Turbo compressor	3%

Notes

- Annual revenue is expressed as a percentage of the original capital cost.
- The relationship between initial cost and annual aftermarket revenue varies due to product specification, plant size, application and operating conditions.
- Generally the revenue stream appears 4 years after the plant is installed, at the time of the first major overhaul.



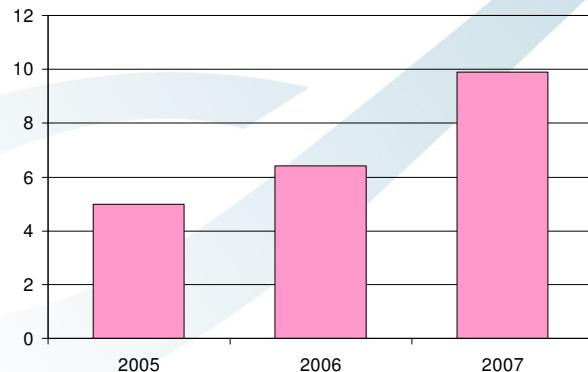
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Aftermarket Sales Growth in China



Our strategic plan in 2004 included developing Howden Hua's aftermarket in China. Sales have doubled over the last 2 years.

Howden Hua aftermarket sales, £m



7

Aftermarket Strategy



Aftermarket is the major opportunity for organic growth for Howden at higher margins

Current initiatives

Businesses are implementing agreed plans and strategies

- Addressing local market conditions.

Business units will serve the entire installed base in their territories.

Business Group Executive Directors appointed

- Responsible for the strategic development of the Aftermarket

Each business unit has a dedicated aftermarket manager

- Reports directly to the Managing Director

Seek acquisitions to increase installed base and/or service capabilities

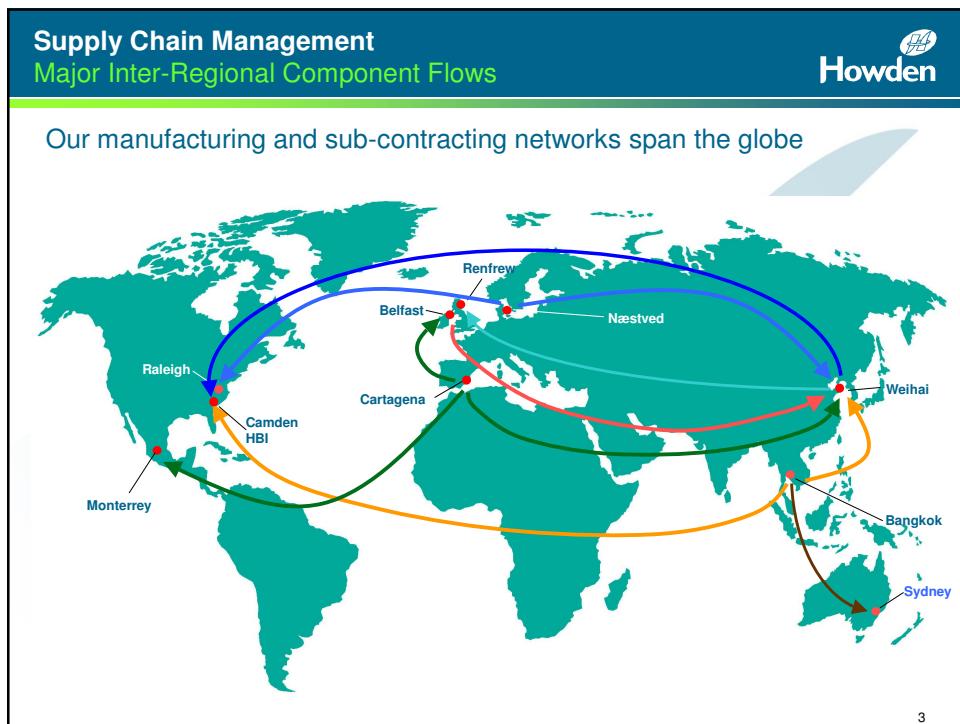
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SUPPLY CHAIN MANAGEMENT

Charter Investor Day
Kevin Musgrove – Global Supply Chain Director
12 November 2008





Supply Chain Management

Tactical - Short Term Actions



Tactical issues include decisions that are typically updated anywhere between once every quarter and once every year.

- Finding new, and developing existing subcontractors
- Extending the global subcontract concept
- Working closely with Sales on major proposals
- Ensuring manufacturing & quality standards are maintained
- Improving logistics
- Developing key supplier framework agreements
- Leveraging Howden Hua's manufacturing capacity
- Gaining worldwide acceptance of "Howden Quality Approved" made in China.

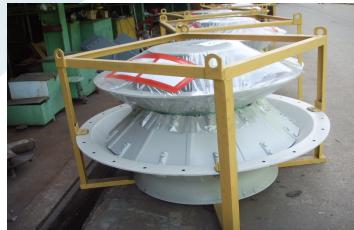
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Supply Chain Management

Global Shipping Procedures



Stacking frames have been developed to reduce the cost of shipping and to reduce the risk of damage and delay



6

Supply Chain Management

Strategic – Long Term Actions



Strategic level action deals with decisions that have a long-lasting effect on the business.

Improve our business processes – lean manufacturing

Rationalise our supplier base

Review our make or buy strategy

Optimise our manufacturing footprint

“Managing for the long term”

7

Supply Chain Management

Implementation of Lean Manufacture



We have instigated a programme of rolling out lean practices across the business

The Howden sites specifically in scope are

- Howden Spain
- Howden Denmark
- Howden Cooling Fans, Netherlands

Process

- Diagnostics
- Model Line
- Roll Out
- Audit & Sustainment – (Continuous Improvement)



GET MEAN GO LEAN!

8

Supply Chain Management Summary

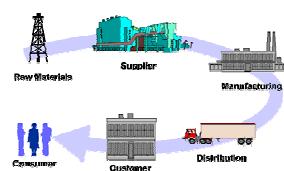


The global supply chain process is a key component in improving our competitive strength in a challenging business environment.

To ensure the long term success of our business, we will
Improve our

- Procurement
- Logistics
- Manufacture

Develop Howden Hua as a key global manufacturing plant



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HOWDEN

Charter Investor Day
12 November 2008