



2010
Annual Shareholders' Meeting

June 16, 2010

Adding Value to Steel

Steel Fabrication and Erection



2009

Project of the Year – Winner

Empire Iron Works

Art Museum of Alberta – Edmonton, Alberta

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Steel Fabrication and Erection



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Erection Engineering



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Specialized Engineered Products

BV TOP 100 MANUFACTURERS

Monthly News Report
February 23-March 1, 2010; issue 1061

INSIDE

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Manufacturers ponder post-downturn game plans

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Better buying practices can yield better bottom lines

Port Coquitlam manufacturer behind world-class thrill rides

Dynamic Structures has made a business of designing and building rides for North America's major amusement parks

JOEL MCKAY

Dynamic Structures Ltd. may be an engineering company, but its focus is show business.

The company designs and manufactures amusement park rides, but the cedars that guard the front of its Port Coquitlam office cleverly mask the scale of its operations.

Dynamic's president David Halliday said the company has designed and manufactured rides for North America's largest amusement park companies, though contractual obligations kept him from saying which ones.



Dynamic Structures Ltd. has teamed up with U.K.-based RoboCoaster Ltd. to design roller-coasters that move riders around in their seats while the coaster speeds down the track



Dynamic Structures president David Halliday stands in front of the skeleton of a secret ride the company is developing at its Port Coquitlam facility

pany forms a new team of people for almost every project it takes on.

But large-scale telescopes are few and far between, said Fahlman. "You don't make a living building telescope domes," said Fahlman. "But this work and experience... led Dynamic Structures into the amusement park business."

Halliday said there's a lot more competition in the amusement park space, and

Rohwer, vice-president of sales and marketing for amusement ride builder S&S Worldwide Inc.

That Utah-based company is the largest manufacturer of roller-coasters and thrill rides in the U.S.

He said Dubai didn't have the right hotel and tourism infrastructure to support many of the projects that were proposed there.

Still, demand in North

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ROBOCOASTER



Robotic Ride Technology

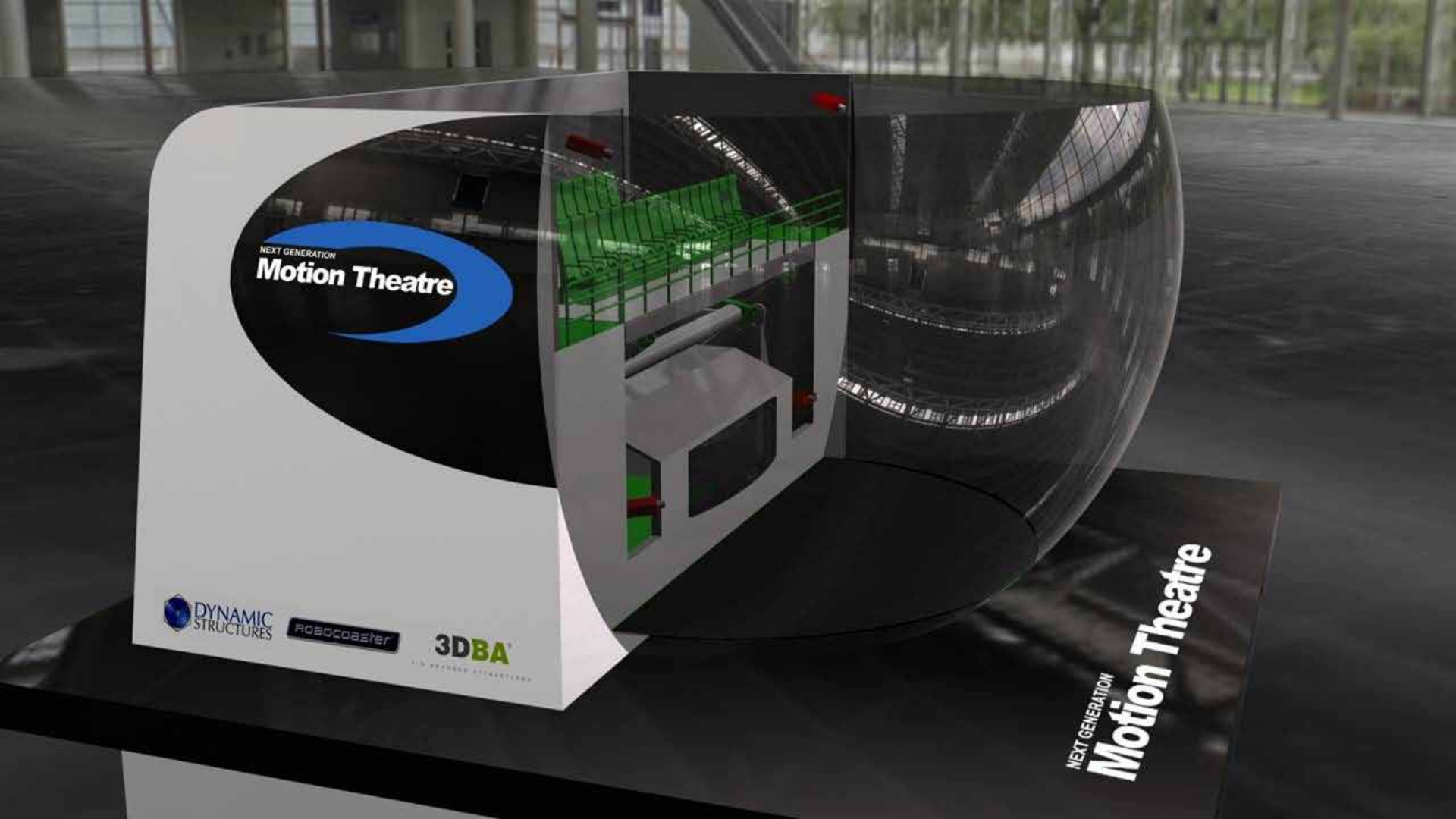
RoboCoaster G2

Operating on fully re-circulating flat track, the 4-axis G2 robot takes riders through a journey of adventure with thrilling and unpredictable motion dynamics. The breakthrough of 'near miss moment' technology allows RoboCoaster G2 to safely achieve illusions of breath taking proximity and interaction with peripheral show effects.



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Financial Review

\$ millions except per share amounts	2009	2008
Revenue	109.3	180.0
OG&A Expenses	17.7	22.1
EBITDA	(6.5)	5.3
Cash Flow Provided by (used in) Operations	(9.6)	(1.9)
Net Earnings (Loss)	(15.5)	(1.8)
Earnings (Loss) Per Share	(\$0.17)	(\$0.02)
Cash Flow Provided by (used in) Operations Per Share	(\$0.10)	(\$0.02)

- Current economic downturn effected the Company throughout all of 2009.
- Reductions in capital spending by customer base, reduced project awards for the Company and sale of the Combustion Division contributed to the Revenue and EBITDA drop
- OG&A was reduced by \$4.4 in 2009 versus 2008
- Net Loss in 2009 included \$9.2M of goodwill write-downs

2009 Restructuring Activities

- Disposition of redundant or non-core assets
 - Sale and leaseback of Port Coquitlam facility, resulting in proceeds of \$9.5M and a gain on sale of \$1.5M
 - Sale of combustion business for \$10.1M to reduce debt and increase working capital.
- Cost containment and cost reductions
 - Responsibility for several leases transferred or sublet, resulting in expected annualized savings of \$1.1M
 - Payroll cost containment through attrition, staff layoffs, reduced work weeks, salary rollbacks, etc.
 - Curtailment of discretionary non-payroll expenses.
- Bank re-financing
 - \$17.5M bank facility with Canadian Western Bank, used to pay out Royal Bank and HSBC to consolidate banking arrangements.
 - These new bank arrangements cured the covenant breaches with Royal Bank and HSBC, thereby providing the Company with additional stability and working capital.

Financial Review

First Quarter, 2010

\$ millions except per share amounts	1Q 2010	1Q 2009
Revenue	20.6	42.0
OG&A Expenses	(3.3)	(5.1)
EBITDA	0.0	(1.1)
Cash Flow Provided by (used in) Operations	(0.7)	(1.6)
Net Earnings (Loss)	(1.6)	(1.6)
Earnings (Loss) Per Share	(\$0.02)	(\$0.02)
Cash Flow Provided by (used in) Operations Per Share	(\$0.01)	(\$0.02)

- OG&A expenses have been reduced by an annualized amount of \$7.2M
- EBITDA has improved to NIL versus a loss of \$1.1M prior
- Net Loss driven by having tax expenses on pre-tax losses, instead of the usual tax recoveries.

Financial Position

First Quarter, 2010

As at March 31, 2010

Current assets	\$30.7M	Current liabilities	\$24.2M
Long-term tangible assets & investments	\$22.1M	Long-term funded debt	\$11.7M
Intangible assets	\$8.6M	Other long term liabilities	\$3.3M
		Shareholder equity	\$22.2M
Total Assets	\$61.4M	Total Liabilities and Equity	\$61.4M

- Working capital: \$6.5M
- Equity per share: \$0.24

Financial Position/Action Plans

- Continue to seek ways to reduce current debt, increase working capital and increase shareholder equity.
- Solutions under way or under consideration include:
 - Sale of non-core assets with proceeds to reduce debt
 - Refinancing current debt with long term debt
 - Rigorous working capital management
 - Continued focus on operating and capital cost management

Outlook - 2010

Steel Fabrication and Erection

- 2010 will be a challenging year, although it will benefit from some improvements in the marketplace:
 - Increased bidding activity
 - Improving North American and global economy
 - Federal government stimulus spending is reaching the production cycle.
- Aboriginal partnership has benefitted from recent project awards for maintenance services for Alberta's oil sands producers.

Specialized Engineered Products

- Two world class amusement ride projects will achieve substantial completion in 2010.
- Bidding activity for amusement rides is very strong in Asia. Due to the long lead times on such projects, the bottom line impact of this bidding activity is expected to be seen in 2011 and beyond.

Longer Term Outlook

Notwithstanding the difficulties Empire has faced in 2008 and 2009, we see great potential for the company in the medium and long term:

Oil Sands

- We expect the oil sands industry to continue to expand, particularly given the current unpopularity of deep water drilling.
- Our aboriginal partnership is well positioned to take on increased maintenance work of existing oil sands facilities.
- In addition, our aboriginal partnership positions our Steel Fabrication and Erection group to participate directly in the construction of new oil sands facilities and the expansion of current facilities.

Amusement Park Rides

- The world's first RoboCoaster G2 ride is opening this spring.
- This is expected to drive demand for many more G2's around the world.
- Empire has the exclusive worldwide marketing rights for these rides.

2010 Annual Shareholders' Meeting

**adding value
to steel**

- Diversified Markets
- World-class capabilities
- Focused on:
 - Strengthening balance sheet
 - Restoring profitable operations