



OPW FUELING COMPONENTS

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One Company, One World, One Source





Market Overview

☀ Markets Served

- Retail Fueling (Major Oil, Convenience Store, etc.)
- Commercial Fueling (Truck Stops)
- Private Fueling (Municipal, Company Owned)

☀ Served Market Size

- \$750 Million Worldwide
- (6) Market Segments
- OPW Share Ranges from 10% to 50% by Segment

☀ Market Drivers

- Environmental Regulations
- New Station Construction
- Infrastructure Improvement
- Replacement & Maintenance

☀ Market Dynamics

- Major Oil Consolidations - Slowed New Construction
- High Volume Retailers Entering Market
- Environmental Requirements more stringent Worldwide
- Some Growth in Developing Countries



Focus & Strategy

☀ Business Focus

- Leading World Supplier of Fueling Components
- Most Complete Product Offering
- Strongest Global Presence

☀ Business Segmentation

- Dispenser Products & Systems
- Environmental Systems
- Fuel Management Systems
- CleanEnergy Fueling

WW Market Position

#1

#1

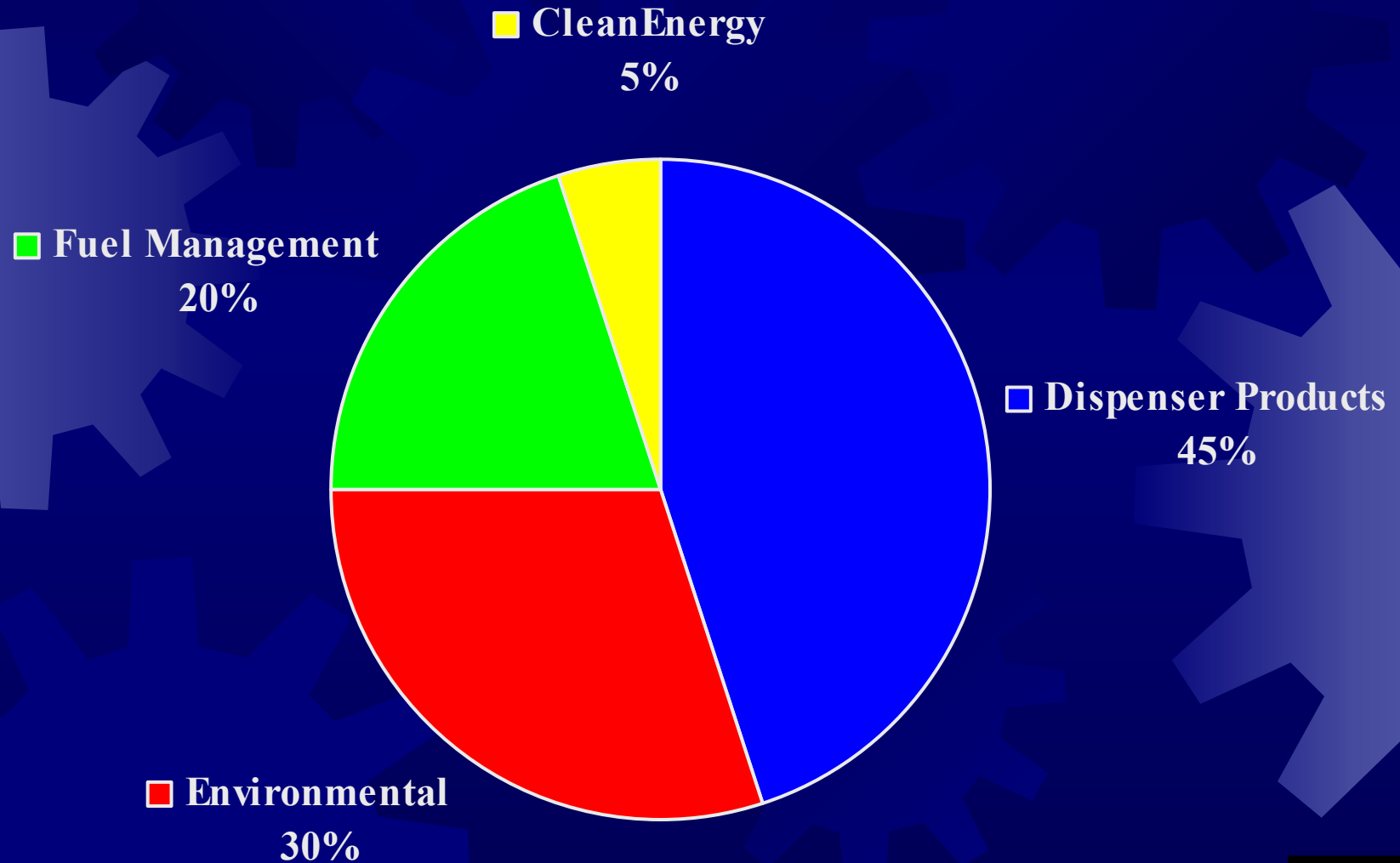
#2

#1

☀ Strategy

- Defend strong North American base
- Expand European business – **Increased Local Presence**
- Expand South American and Asia Pacific business – **Establishment of Local Presence**

Business Segmentation & Products





Dispenser Products



EURO NOZZLES



**VAPOR RECOVERY
NOZZLES**



**CONVENTIONAL
NOZZLES**



**SWIVELS &
BREAKAWAYS**



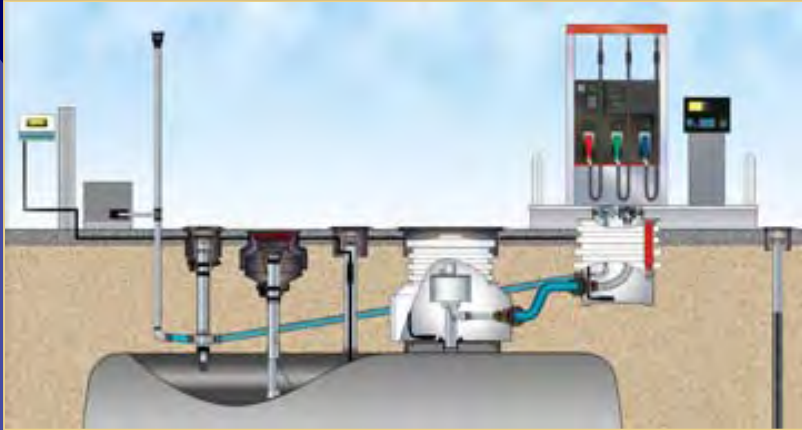
**MEMBRANE VAPOR
RECOVERY SYSTEMS**



AIR PRODUCTS

- ★ Markets-heavily regulated
- ★ OPW #1 in all markets except Europe
- ★ Broadest product offering
- ★ OPW recognized as technology leader

Environmental Products



- ☀ **Markets-highly regulated by environmental and fire codes**
- ☀ **Products highly localized**
- ☀ **Expensive to ship**
- ☀ **Developing Countries offer growth markets**



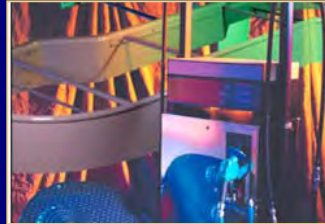
**FLEXIBLE PIPING
AND SECONDARY
CONTAINMENT SYSTEMS**



VALVES & FITTINGS



**UNDERGROUND STORAGE
TANK EQUIPMENT**



**ISLAND FORMS AND
MANHOLE COVERS**



Fuel Management Systems



**COMMERCIAL FUELING
SYSTEMS**



**TANK GAUGING
SYSTEMS & ACCESSORIES**

- ☀ **OPW #1 worldwide in commercial fueling systems**
- ☀ **OPW #2 worldwide in tank gauges**
- ☀ **Localized language and technical support required**
- ☀ **Recently acquired Emco Electronics product line**

“CleanEnergy” Fueling Products



CNG FUELING PRODUCTS



LPG FUELING PRODUCTS



HYDROGEN FUELING PRODUCTS

- ★ OPW only company to offer complete range
- ★ Market growing 10+% per year
- ★ Primarily non-U.S. Business
- ★ OPW working in early development major auto manufacturers on the fuel cell vehicles
- ★ Recently acquired LPG product line



Strategic Initiatives

- ✦ Develop and Implement Global Growth Plans (Local Manufacturing for Local Markets)
- ✦ Establish Six Sigma Culture Worldwide
- ✦ Implement Global Technical Support Model
- ✦ Launch “CleanEnergy” Fueling Business
- ✦ Implement an Integrated Sales and Marketing Program for “Station-In-A-Box”
- ✦ Introduce Steady Stream of New Products



Global Operations





- ★ Close manufacturing in Holland 4th quarter 2001
- ★ Factory operation in Czech Republic started 3rd quarter 2001
- ★ Scale-up underway



South America



- ☀ Buyout Brazil joint venture 1st quarter 2001
- ☀ Product line expanded 2002
- ☀ Strengthen sales & manufacturing 2002
- ☀ New Brazil facility under construction – will open 2nd quarter 2003
- ☀ Heavy emphasis / legislation on “New Environmental Standards” in Brazil



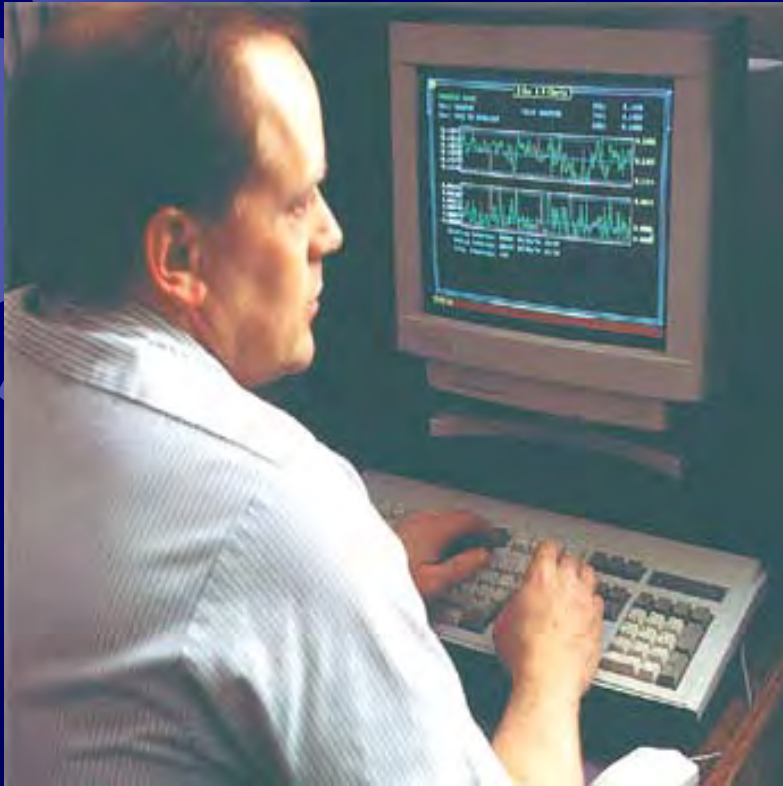
- ★ OPW sales force to replace reps - in place 2000-2001
- ★ Sourcing of components from China underway 2002
- ★ W.O.F.E. Approved for China in 3rd quarter 2002
- ★ Factory in China will open in early 2003



Global Growth Achievements

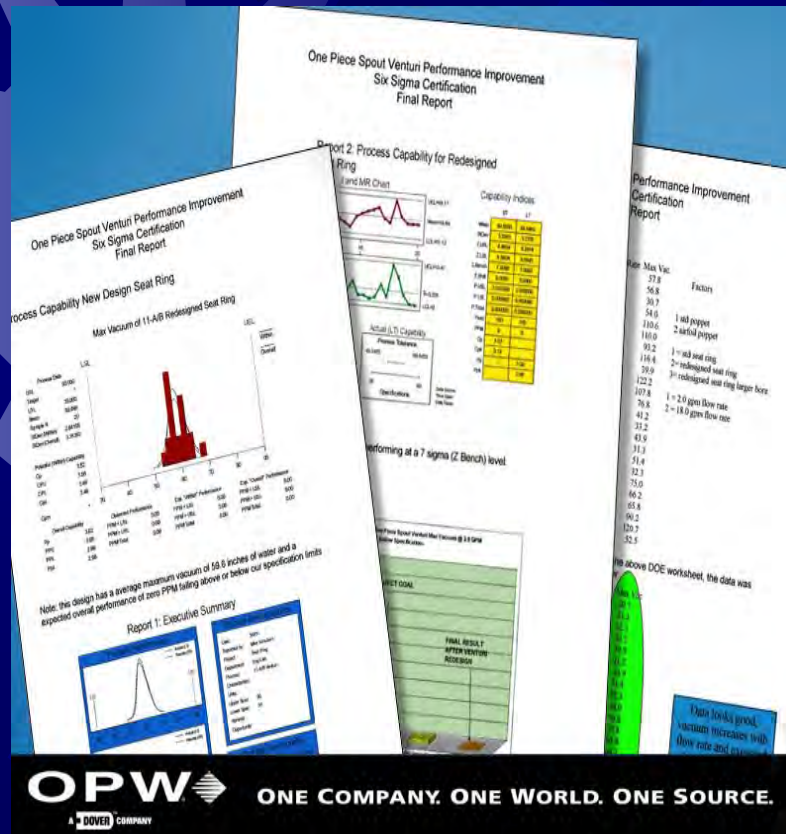
- ✱ Weighted average cost per hourly employee decreased 21% since 1998
- ✱ Annual cost reduction from China sourcing expected to exceed \$1.0 million in 2003
- ✱ Sales in Asia Pacific/Latin America up 15% over 2001
- ✱ Local sales presence in all major global markets

Six Sigma Process



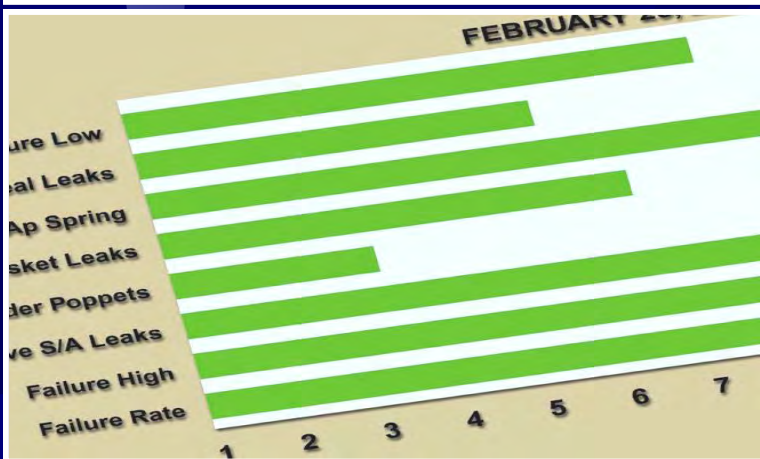
- ★ Six Sigma – eliminates defects through consistent, predictable processes
 - ★ Data driven process
 - ★ Initiatives focus on 80/20 rule
 - ★ Objective – less than 3.4 defects per million opportunities

Six Sigma Process



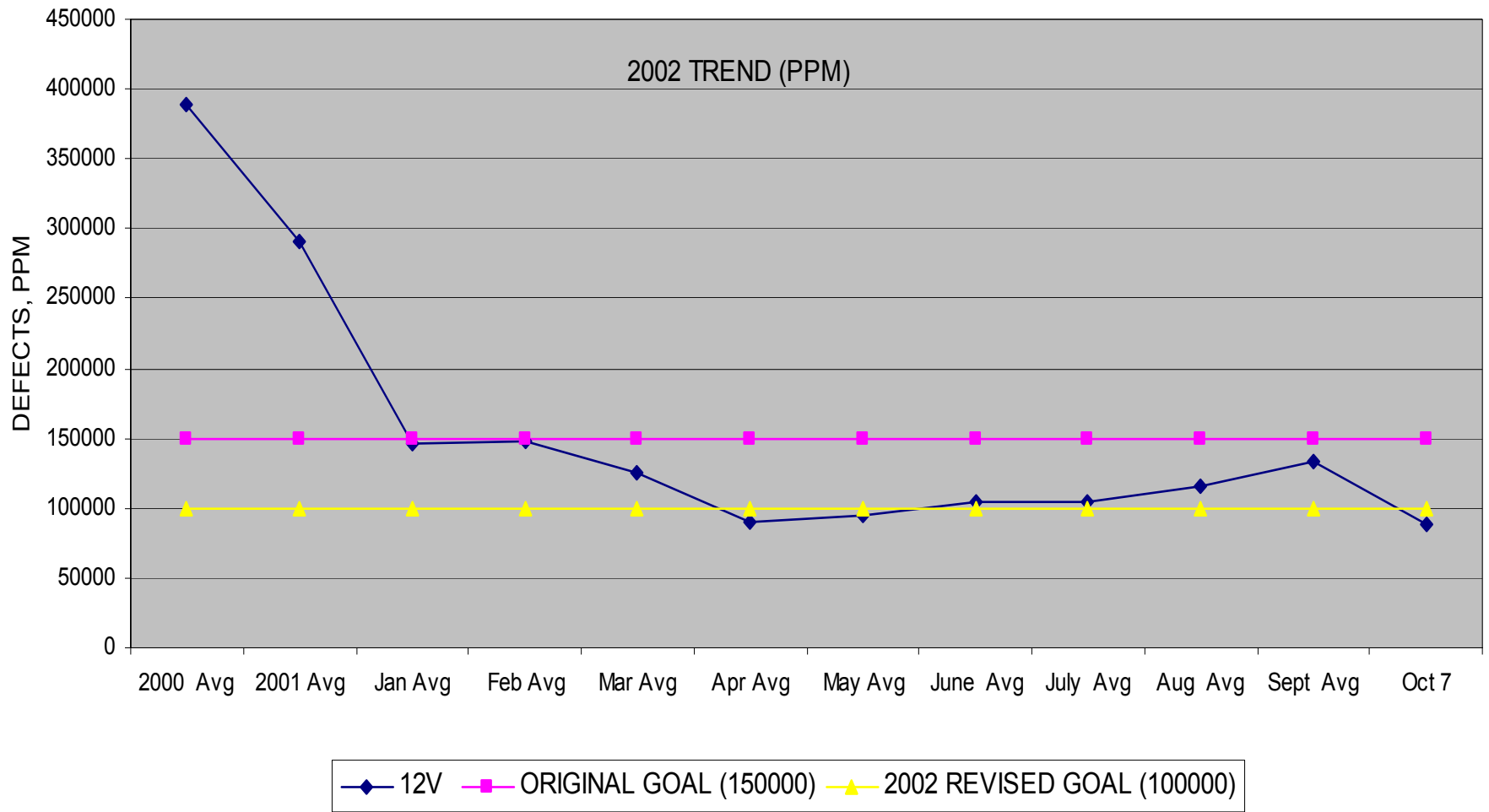
- ★ Top management driven
- ★ Education:
 - ★ Upper management
 - ★ Black Belts
 - ★ Green Belts
 - ★ All employees
 - ★ Suppliers
- ★ Roll-out
 - ★ Cincinnati – 1999
 - ★ Worldwide - 2002

Six Sigma Training

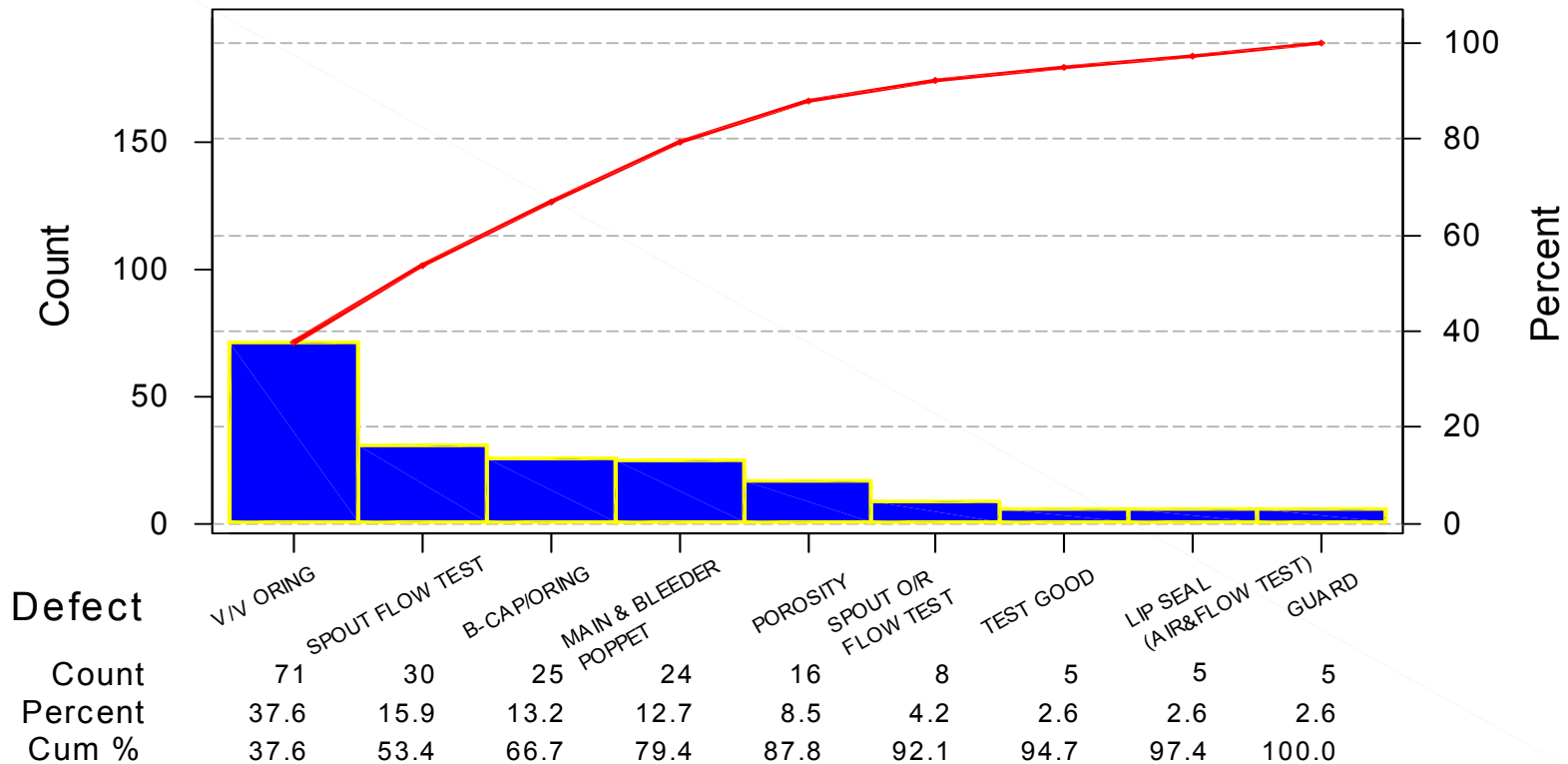


- ★ **12 Black Belts:**
 - ★ 2% of workforce
 - ★ 200 hour training
 - ★ 4 month process
- ★ **103 Green Belts:**
 - ★ 17% of workforce
 - ★ 20 hour training
 - ★ Expanding to 40 hour
- ★ **12% of the supply base trained as Green Belts**






Internal Defects, Trend Chart (12V Vapor Recovery Nozzle)

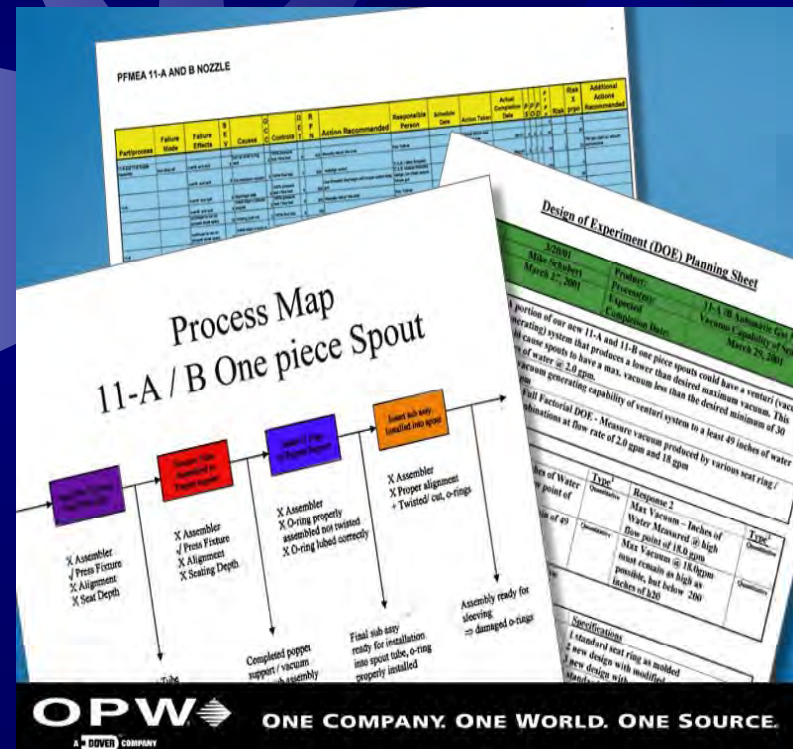


Internal Defects, Pareto Analysis (12V Vapor Recovery Nozzle) October 2002



Six Sigma Results

-  Key Black Belt projects:
 -  7 completed
 -  5 underway
 -  \$355,000 savings
-  Warranty cost reduced 41%
-  Increase sales = “the real win”





Summary

- ☀ New environmental regulations in California will positively impact OPW in 2003
- ☀ Major consolidations of oil companies slowed new construction
- ☀ OPW target and won business in the high-volume retail segments
- ☀ OPW offset market declines by:
 - Market Share Increases
 - Product Line Acquisitions
 - New Product Development
 - Global Growth Initiatives
- ☀ Initiatives to improve quality and reduce cost have provided funds for global growth and new product development
- ☀ OPW is structured properly and postured to benefit from any global growth in the industry