



## COBALT BOATS

For more information contact:

Cobalt Boats, LLC • 1715 N 8th St • Neodesha, KS 66757 • Ph. 620-325-2653

### FOR IMMEDIATE RELEASE

#### **Cobalt Boats continues to adjust to retail and economic conditions with long term perspective; continues to build boats.**

(NEODESHA, KS – FEBRUARY 26, 2009) As the world's economy continues to struggle, the marine industry has been hit relatively hard. The lack of consumer confidence has had a large impact on retail sales and dealer floor plan (inventory) financing has become very tight. Paxson St. Clair, the company's C.E.O. states, "Versus prior year, we are down 18% at retail where most of our competitors are off 35 to 40%. We are pleased to be experiencing positive momentum through gains in market share." At the same time, the company continues to adjust staffing levels to lower production rates, having to lay off thirty associates this week. "It is very difficult to see fellow associates leave our company. Our hearts go out to them." St. Clair says, "But to be clear, our intention and expectation is to not only weather these challenging times, but to position our company to take advantage of a market rebound when it does occur. We plan to further leverage our brand strength, quality product and tremendously talented associates to capture additional market share. In addition, we are aggressively investing in new boat models that will be introduced later in 2009 and early 2010. Cobalt has always thrived on innovative new products."

Although at a reduced rate when compared to 2008, Cobalt continues to build boats each week and maintain appropriate staffing to support our dealers and customers. "We are very confident that we made the right decisions at the right time," says Sean Callan, Cobalt's President. "In partnering with our dealers, we adjusted production and expectations to conservative levels early in 2008 to ensure the stable, long term viability of our brand and our business. We do not have any factory stock boats and, as a result, continue to build ordered boats every day here in Neodesha. We feel fortunate to be in the position of building boats on a routine basis today. Our experience tells us that the logistics of shutting down a boat building operation and restarting weeks or months later can make it very challenging to maintain your boat's quality and seamless communication with your dealers and customers."

Looking forward, Cobalt plans to maintain conservative production levels to reduce dealer inventories, thus ensuring the future health of the company's dealer network. The company's production plan reflects expectations of soft demand through the remainder of 2009 and a slow rebound in 2010. With respect to the current economic status and the company's financial health, St. Clair says, "Our dealer network is in a healthy position overall to weather this economic downturn with us. Additionally, we are in a strong financial position, carrying little debt. This will prove to be a competitive advantage to our business' operations going forward."

Cobalt Boats is a world leading manufacturer of luxury family day boats, and is headquartered in Neodesha, KS. Company website: [www.cobaltboats.com](http://www.cobaltboats.com)

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#### **Cobalt Remains the Only Boat Builder Ever to Rank “Highest in Customer Satisfaction” in the J.D. Power and Associates Study of Large Runabouts (20 – 29 feet)**

(NEODESHA, KANSAS -- FEBRUARY 20, 2009) For the eighth consecutive year, large runabouts ( 20 to 29 feet) built by Cobalt Boats have ranked “highest in customer satisfaction” in the J.D. Power and Associates Boat Competitive Information Study. The 2009 study investigated owners’ satisfaction with their runabouts throughout the sales, service, and product experiences. Again this year Cobalt owners gave their boats especially high marks in design and styling, ride and handling --the traditional strengths of Cobalt design and manufacture. Owners were also especially pleased with the boats’ performance in water sports, a trend certain to continue this model years with Cobalt’s recent introduction of the Water Sports Series, two boats configured precisely for wakeboarding and skiing.

“On behalf of our customers, dealers and our craftsman, all of us at Cobalt are honored in our eighth straight year of recognition from J.D. Power and Associates,” said Cobalt’s President Paxson St. Clair. “This recognition comes as a direct result of the skills and the integrity of our associates and our dealers. As the only company ever to earn the ‘Highest in Customer Satisfaction’ designation in the large runabout category, Cobalt has helped to lead the industry toward what, for more than forty years, has made us better boat-builders: listening to our customers. “

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company operating in key business sectors including market research, forecasting, performance improvement, training, and customer satisfaction. The company’s quality and satisfaction measurements are based on responses from millions of consumers annually.

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#### **Cobalt Boats Receives the Kansas Chamber of Commerce's Highest Award**

(NEODESHA, KANSAS – February 19, 2009) More than a thousand guests attended the Kansas Chamber Annual Dinner in Topeka on Tuesday, February 3, an event during which Cobalt Boats received the Chamber's Ad Astra Award, honoring each year a Kansas company "exemplifying business and civic excellence." Named after the state's motto – Ad Astra Per Aspera, To The Stars Through Difficulties – the award comes to Cobalt in recognition of five decades of innovative design and manufacturing capacity set against the rural work ethic of a small Kansas town.

"The award is a testament to the spirit of every Cobalt associate," said Cobalt President Paxson St. Clair, "an acknowledgement that, here in land-locked Kansas, Cobalt craftspeople are building the best boats in the industry." In his remarks at the award dinner Cobalt founder Pack St. Clair also referred to "small-town values working in the context of excellent state support for private business, a get-it-done attitude" that Pack described as "the best way to differentiate ourselves from other boat companies." A short video accompanying the presentation described Cobalt's philosophy of individual responsibility and individual reward, citing the shared loyalties of the company and the town through the inevitable swings of the business cycle.

Kansas Senator Sam Brownback was master of ceremonies for the event, and political correspondent Tucker Carlson was the keynote speaker.

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