

Results emerge
when local knowledge
intersects with
global expertise



H2 FY2014 Results
Presentation for Morgans
September 18, 2014









Positive results, plenty to do



- Strong safety disciplines
- Portfolio changes fully implemented
 - Specialist Training Australia (STA) sold
 - Project Management returned to profitability
- Liabilities reduced significantly
- Coffey revenues are stabilising
 - International Development revenues up 10% year on year
 - Geoservices fee revenue down 19% year on year, but some positive signs emerging
- EBITDA stabilised with no restructuring in H2
- Positive NPAT
- Ongoing investment in business capabilities, particularly marketing and sales and it's yielding results
- Reasons for optimism – challenges remain
- Coffey will provide on-going quarterly updates

Improved profitability



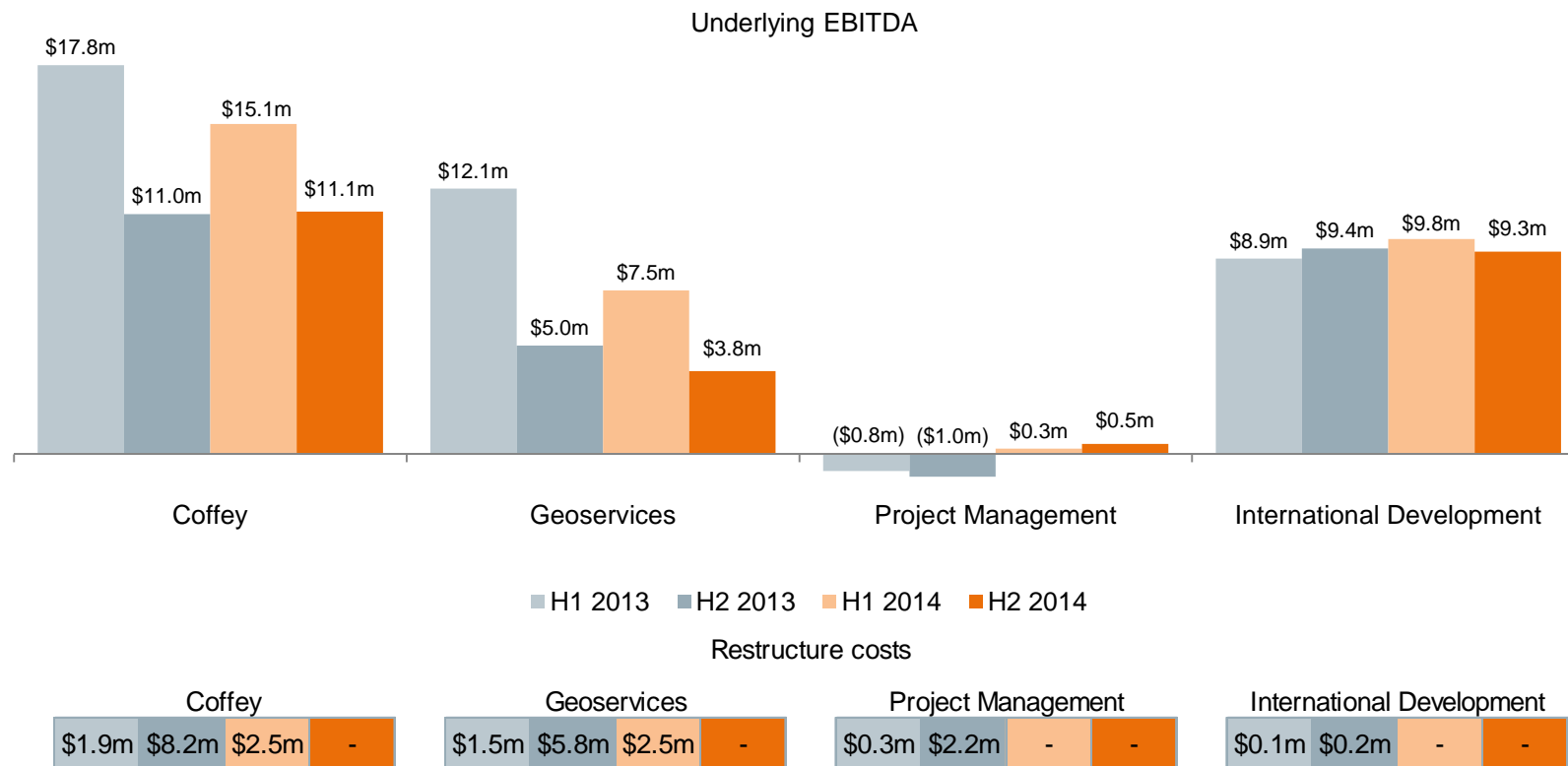
Total revenue	\$628.1m		(8.8%)
Underlying EBITDA ¹	\$26.2m		(9.1%)
EBITDA ²	\$23.7m		27.4%
Net profit after tax	\$4.4m		
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Operating cashflow	\$20.9m		15.7%
Net debt	\$48.1m		17.1%

Note: Percentage movements are full year 2014 compared to full year 2013.

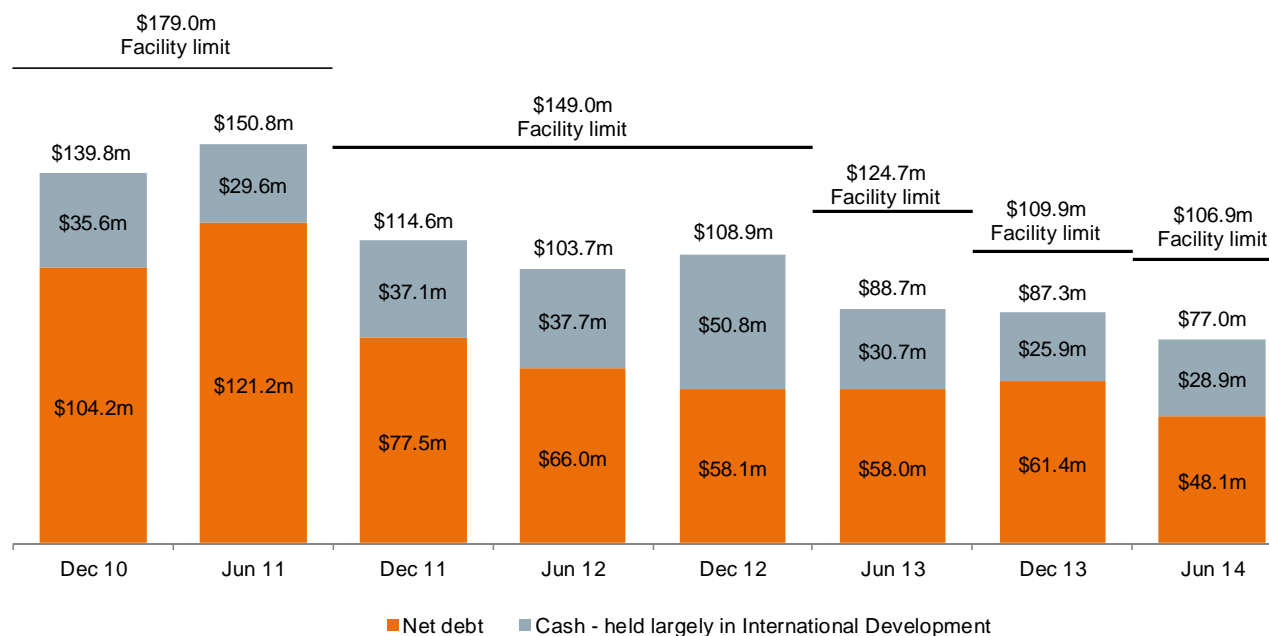
¹ Underlying EBITDA - EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) before restructure costs. Please refer to the EBITDA reconciliation in the appendix.

² EBITDA - EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation).

Resilient portfolio



Debt driven down



Working capital days at June 2014 - 54 days vs. 61 in June 2013

Bank guarantees							
Dec 10	Jun 11	Dec 11	Jun 12	Dec 12	Jun 13	Dec 13	Jun 14
\$17.1	\$17.1	\$17.9	\$15.2	\$14.6	\$15.6	\$12.9	\$6.6

Coffey corporate bond offering successful

Coffey International Limited (ASX: COF) (Coffey) is pleased to announce that it has today completed the issue of its senior unsecured corporate bond offering. The offer was announced to the market on 2 September 2014.

The offer was fully subscribed with \$40 million being raised at a floating coupon rate of 4.65% per annum over the 90 day Bank Bill Swap Rate for a five-year term, maturing in September 2019. The offer was open to eligible professional and sophisticated investors in accordance with part 6D.2 of the Corporations Act 2001.

The Lead Arranger for the transaction was FIIG Securities Limited.

Managing Director John Douglas welcomed the positive response from investors.

"The successful completion of the bond offering is a strong endorsement of our strategy and business model," Mr Douglas said.

"This allows us to pay down existing bank debt, diversify our funding sources and provide a more balanced debt profile managed over a longer timeframe."

"Together with our recent return to profit, this gives us the right base on which to grow when new opportunities emerge."

Fundamentals delivered



- Safety disciplines strengthened
- Portfolio reshaped through asset sales, business closures and extensive restructuring
- Liabilities reduced by an equity raising, assets sales and a vigorous focus on working capital
- Strong focus on cost accountability with overheads reduced by \$35m from December 2010
- Staff numbers managed to build capability and match capacity to markets
 - Voluntary turnover now in line with industry norms – was more than 30%
 - Difficult but necessary redundancies made when Mining/Australian Geoservices turned down in FY2013
- Management team strengthened with clear accountabilities, remuneration linked to performance, improved functional support and change, where necessary
- Ongoing cultural change around six behaviours: Ingenuity, Delivery, Collaboration, Integrity, Respect, and Intelligent risk

Integrated businesses and diversified revenue streams



5 industries

Transport
Infrastructure

Oil & Gas

Mining

Property

International
Development

3 businesses

Geoservices

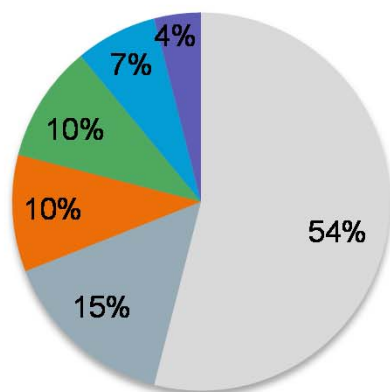
Project Management

International Development

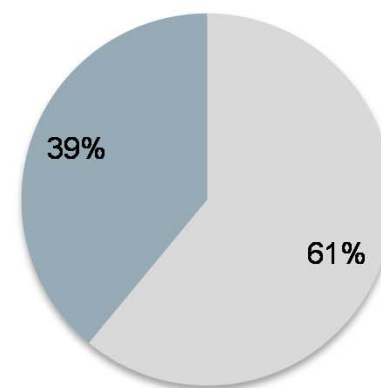
Revenues and profits from secure sources



FY14 total revenue by industry



FY14 Underlying EBITDA by source

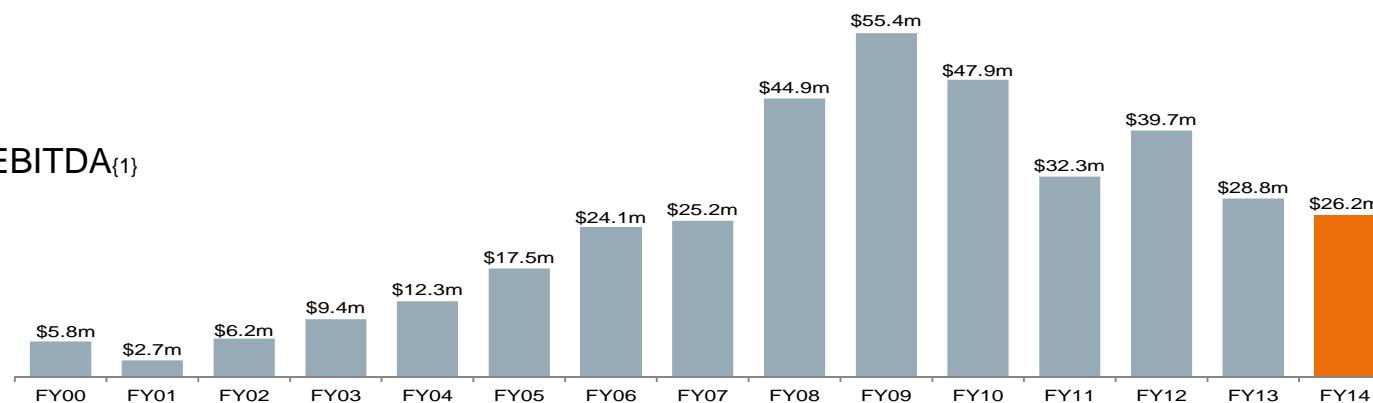


- International Development revenues come from donor governments in the US, Australia, the UK and Europe (particularly Scandinavia)

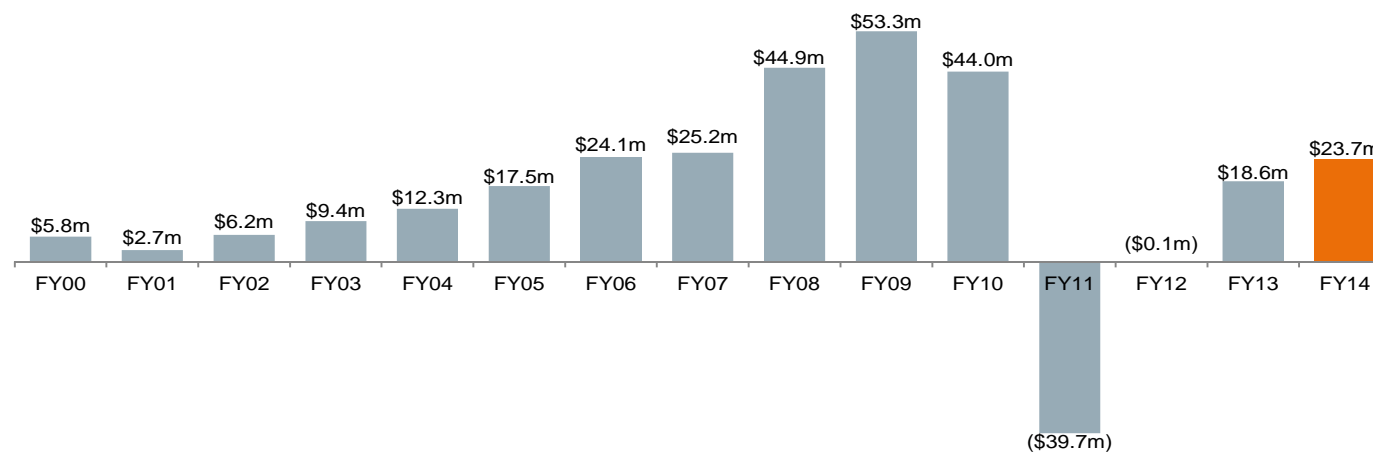
Strong earnings history across the cycle



Underlying EBITDA^{1}



EBITDA



^{1} Underlying EBITDA – EBITDA before impairment, vendor earn-out and restructuring costs

Reasons for optimism – challenges to remain

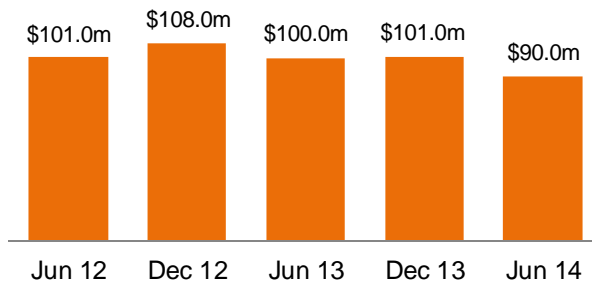


	Reasons for optimism	Challenges
Corporate	<ul style="list-style-type: none"> • Diversified revenue streams • Fixed property costs reduced • Interest expense decreasing • Organisational capabilities strengthened 	<ul style="list-style-type: none"> • Geoservices is still heavily exposed to the Australian economy • Uncertainty around global commodity prices • Tight Aid budgets in all key donor countries
Geoservices	<ul style="list-style-type: none"> • Leading position in Australia • Good industry diversification • The Australian Government is committed to improving physical infrastructure • Offshore opportunities 	<ul style="list-style-type: none"> • Uncertainty around global commodity prices • Margins require further improvement • \$AUD has fallen in recent weeks but still remains high
Project Management	<ul style="list-style-type: none"> • Heavily restructured and showing a small profit • Good client portfolio • Low interest rates creating market stimulus 	<ul style="list-style-type: none"> • Property recovery is early and uncertain
International Development	<ul style="list-style-type: none"> • Steady growth with consistent margins • Ongoing growth in the UK business • The Australian Government Aid priorities and private sector empathy are creating opportunities 	<ul style="list-style-type: none"> • Tight budgets in all key donor countries

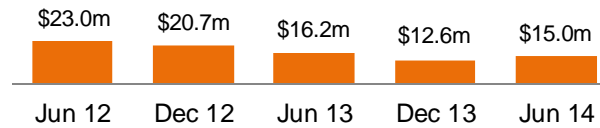
Reasons for optimism – challenge remains



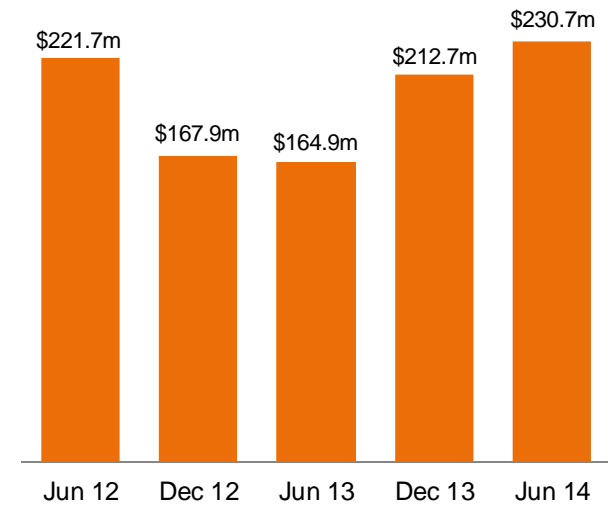
Geoservices 12 month contracted fee revenue



Project Management 12 month contracted total revenue



International Development 12 month contracted total revenue



Q&A
