

ASX Announcement – Konekt Ltd – 27th May 2010

Shareholder Update Presentation

Attached is a shareholder update presentation. Included in this presentation are the following:

- 2009-10 full year EBIT outlook now anticipated to be \$2.2m
- Profit after tax forecast of \$4.8m, including an estimated tax credit of \$2.7m resulting from recognition of prior year tax losses and other temporary tax differences.
- Cashflow remains strong resulting in a current debt free position.



Frank Hardiman
Company Secretary

For further information contact:

Frank Hardiman
Company Secretary
Konekt Ltd
Tel: +61 2 9650 5116
Mobile: 0417 488 596
Email: fhardiman@konekt.com.au

Background on Konekt Ltd (www.konekt.com.au)

Konekt provides a unique and holistic services and technology offering targeted at improving workplace health and reducing costs in complex environments to Insurers, employers and the community.

These include Pre-employment screening, Occupational health, safety, training, incident management, return to work services and job redeployment. The company underpins its activities with a powerful propriety software program, Konektiva which manages an employee's health status and recovery whilst producing improved workflow, knowledge management and integration opportunities.

The company has established itself as a market leader in the workers compensation arena and is now broadening its offering in aligned health services.

The Company aims to position itself as the foremost provider of services through:

- Continuous improvement of process, systems and services for our customers
- Becoming the industry benchmark and advocate
- Provision of the best outcomes for all stakeholders

Visit the Konekt website today (www.konekt.com.au) to register for e-mails alerts and be among the first to know about the latest news and announcements from Konekt.

Shareholder Update
27 May 2010

Konekt

Agenda



Current Situation
Achievements this year



Strategic Direction
What is the strategy?



Execution
How will we execute?



Outlook
For 09/10 full year

Agenda



Current Situation
Achievements this year



Strategic Direction
What is the strategy?



Execution
How will we execute?



Outlook
For 09/10 full year

Disclaimer

- The information contained in these presentation materials ("Document") is intended to provide general background information only about Konekt's activities for the year to date 1st July 2009 to 27th May 2010. The information given is a summary only, and does not purport to be a complete or exhaustive review of Konekt's activities for the relevant period. The information provided in this Document does not constitute investment advice and should not be relied upon by investors or potential investors.
- Whilst the information contained in this Document, including the Outlook 09/10 information, has been prepared with due care and attention, no guarantee or assurance is given by Konekt or its directors that the information provided is accurate, or that the financial forecasts will be achieved.
- Konekt, its directors, officers, employees, agents and consultants expressly disclaim any and all liability to any person or entity arising out of anything done or omitted to be done by any such person or entity relying on a part or all of the contents of this Document.

Our Mission



To be partner of choice in organisational health and risk management through:

- The provision of workplace safety and injury management solutions established through expertise, knowledge, partnering, innovation and technology to create superior value to our customers
- The engagement, continual development and growth of our people in an inspiring and rewarding environment
- Maximising return to shareholders whilst being mindful of our overall responsibilities to the community, our staff, and our customers

Key Achievements



Financial Performance

Investor Relations

Internal Initiatives

New Offerings

Financial Performance

Performance for the period July 07 – Dec 09

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Shareholder Value	Value Drivers	Measures	FY08	FY09	Half Year* Dec 09
			Revenue Growth	Revenue (\$m) Growth (%)	27.3 0
Operating Margin	Operating Margin	EBIT (\$m)	(7.2)	1.2	1.4
		EBIT (%)	(26.4%)	3.8	7.9%
Cash	Cash	Cash flow from operations	(1.3)	0.9	1.2
		Available cash	0.4	1.8	2.5
EPS	EPS	EPS (Cents)	(13.2)	1.8	1.9



*Half Year

Financial Performance

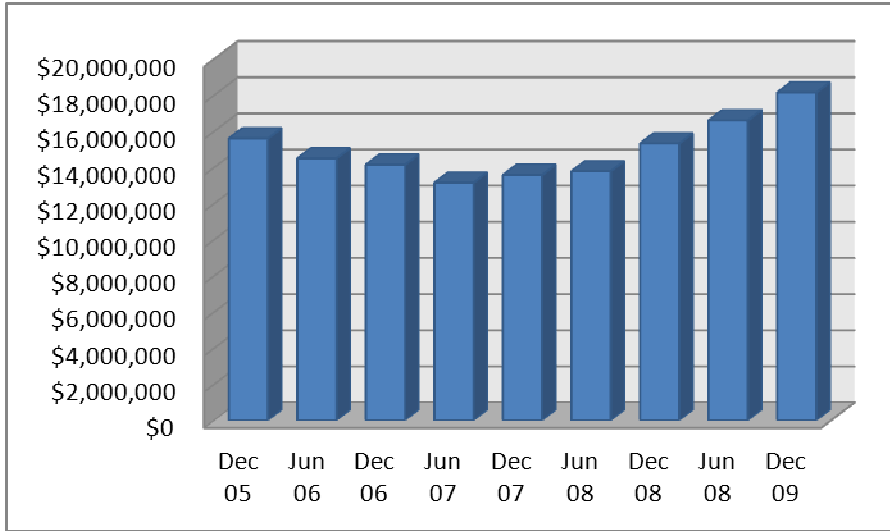
Summary Results for the 6 Months to 31 December 2009



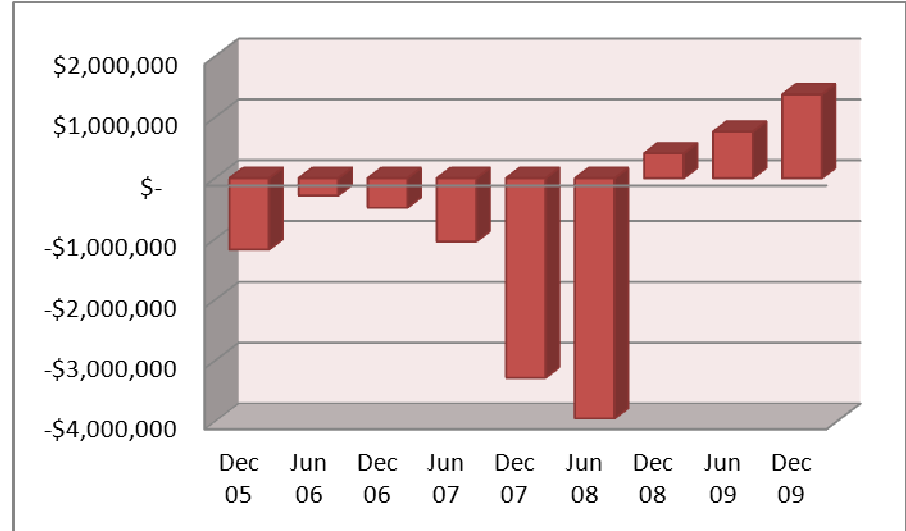
	Six Months ended 31 December 2009 \$000s	Six Months ended 31 December 2008 \$000s	Increase/ (Decrease)	% Change
Revenue from Services	18,126	15,652	+2,474	+15.8%
Profit/(Loss) before interest and tax ("EBIT")	1,434	521	+913	+175.2%
Interest expense	(56)	(112)	(56)	-50.0%
Profit Before Tax	1,378	409	+969	+236.9%
Income Tax Expense	-	-	-	
Net Profit/(Loss) attributable to members ("NPAT")	1,378	409	+969	+236.9%
Earnings Per Share	1.96	0.7		

Financial Performance

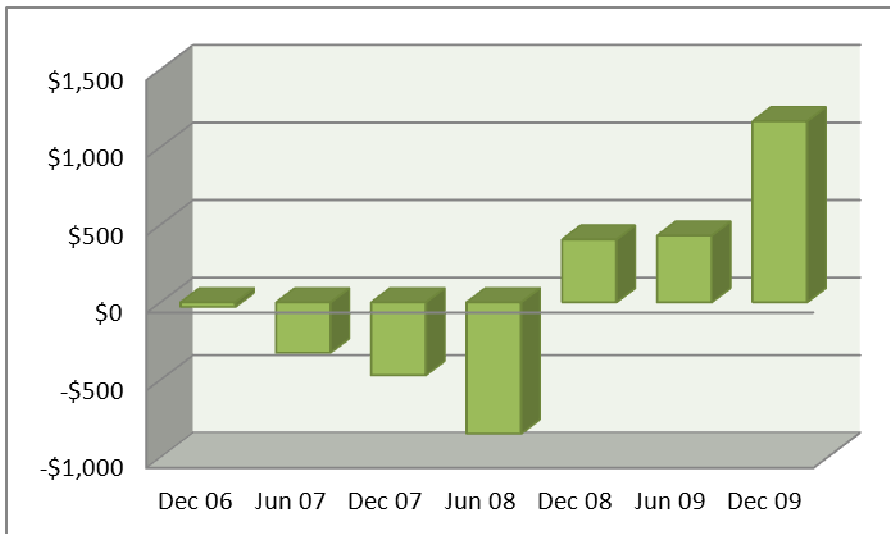
Revenue – Six Monthly [Dec 05 – Dec 09]



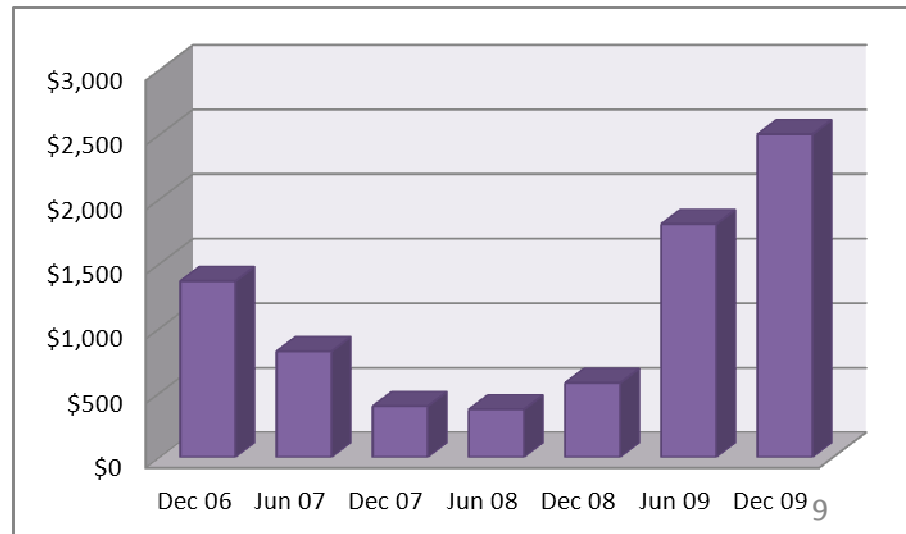
EBIT – Six Monthly [Dec 05 – Dec 09]



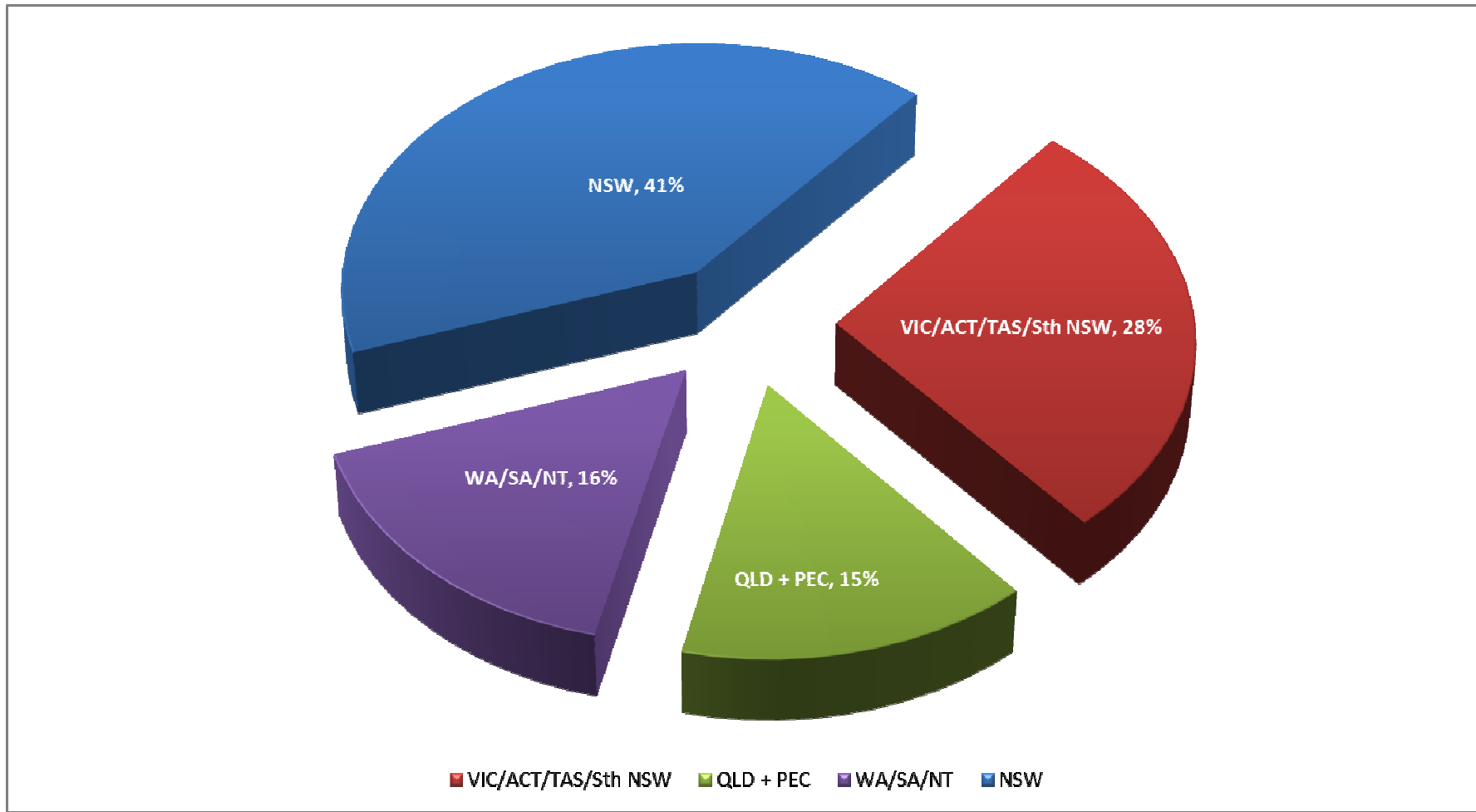
Cash Flow From Operations – Six Monthly [Dec 05 – Dec 09]



Available Funds – Six Monthly [Dec 05 – Dec 09]



Revenue Split By State



Key Achievements



Financial Performance

Investor Relations

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- **Investor relations strategy**
- Share price growth
- KKT liquidity and comparatives to other microcaps
- Trading multiples & analyst report
- Positive press coverage – AFR, BRW and media releases

Investor Relations strategy

- Aimed at ensuring maximum visibility of KKT stock
- Appointed Intersuisse as Brokers
- Commissioned analyst report (Completed Dec09)
- Regular media releases to ensure market is kept up to date
- Press coverage by AFR, BRW article
- Revamped website, much more friendly around customer and shareholder needs

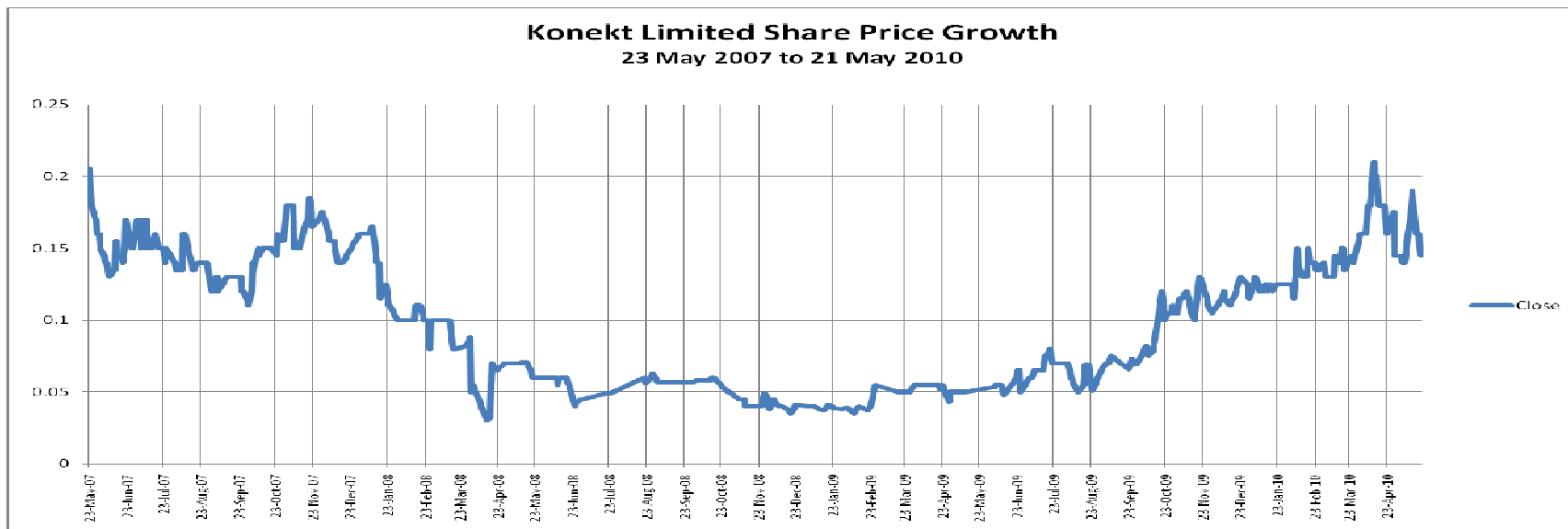
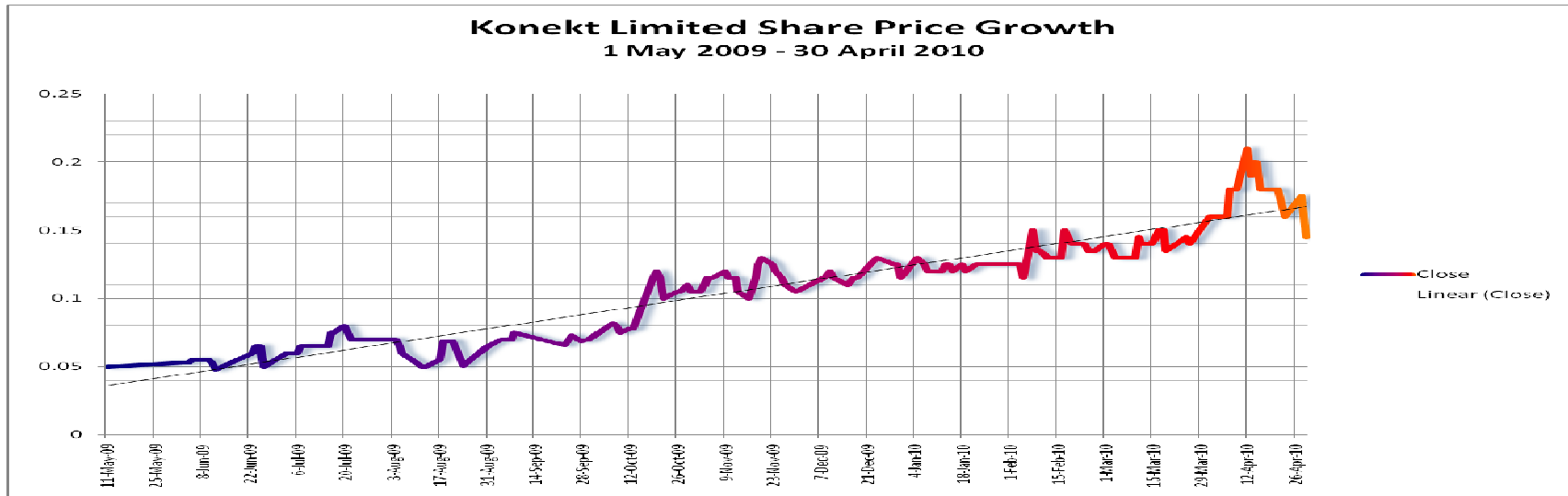
Agenda

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- Share price growth
- KKT liquidity and comparatives to other microcaps
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Share price growth

(01 May 09 -30 April 10)

- Konekt share price tripled
- Deep value microcap fund (microequities) 82%
- XEC 52%
- Challenger wholesaler microcap fund 44%
- SmallCo investment fund 51%



Agenda

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KKT liquidity and comparatives to other microcaps

- Due to successful financial growth and our investor relations strategy, liquidity has grown from 21% in 2008 and 19% in 2009 to 50% in the current year.
- A sample of 24 micro stocks returned an average of 34%, making our performance of approximately 50% better

Agenda

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Trading multiples & analyst report

- KKT multiples increased steadily over the past 12mths.
- Some significant shareholders setting target of 15cent share price by June 2010, with actual achievement occurring in Feb 2010
- Multiples will increase as company performance continues to grow, with several potential shareholders stating they would like to wait for further evidence of continuous growth
- Despite the above, KKT has achieved levels of comparative stocks, as can be seen by analysis done in analyst report

Konekt Market Cap Range

Average P/E Ratios - Summary of Survey Results

Market Cap. Range	Companies	Trailing	Forward	Std.Dev.
\$0-20m	22	8.61	7.43	1.51
\$20-50m	27	7.33	6.59	1.33
\$50-100m	23	10.60	8.01	1.54
\$100-200m	27	10.66	7.78	1.37
\$0-50m	49	7.88	6.59	1.44
\$50-200m	50	10.63	7.89	1.45
All \$0-200m	99	9.17	7.21	1.46

Prospective P/E Ratios for most profit earners under \$50m M.Cap

less 2 standard deviations	3.7
Average P/E	6.6
plus 2 standard deviations	9.5

Typically 95% of a normal sample falls within 2 standard deviations of average

Agenda

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Positive Press Coverage and Media releases

- Our strong performance has not only raised the level of enquiry amongst fund managers, but also amongst the press
- We have featured several times in the online version of AFR (on our website) and the printed version (11May).
- Various media releases to ensure market stays informed (new office openings, wins, appointments)
- Article on CEO in BRW
- Invited to speak at the Microequities annual emerging markets conference

Key Achievements



Financial Performance

Investor Relations

Internal Initiatives

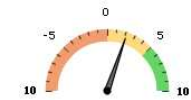
New Offerings

- Implementation of balanced scorecard
- Quality management team
- New branch structure
- Staff retention assisted by employee share plan (ESP)
- Annual employee engagement survey completed for the second year
- Strategic alignment project

Balance Scorecard

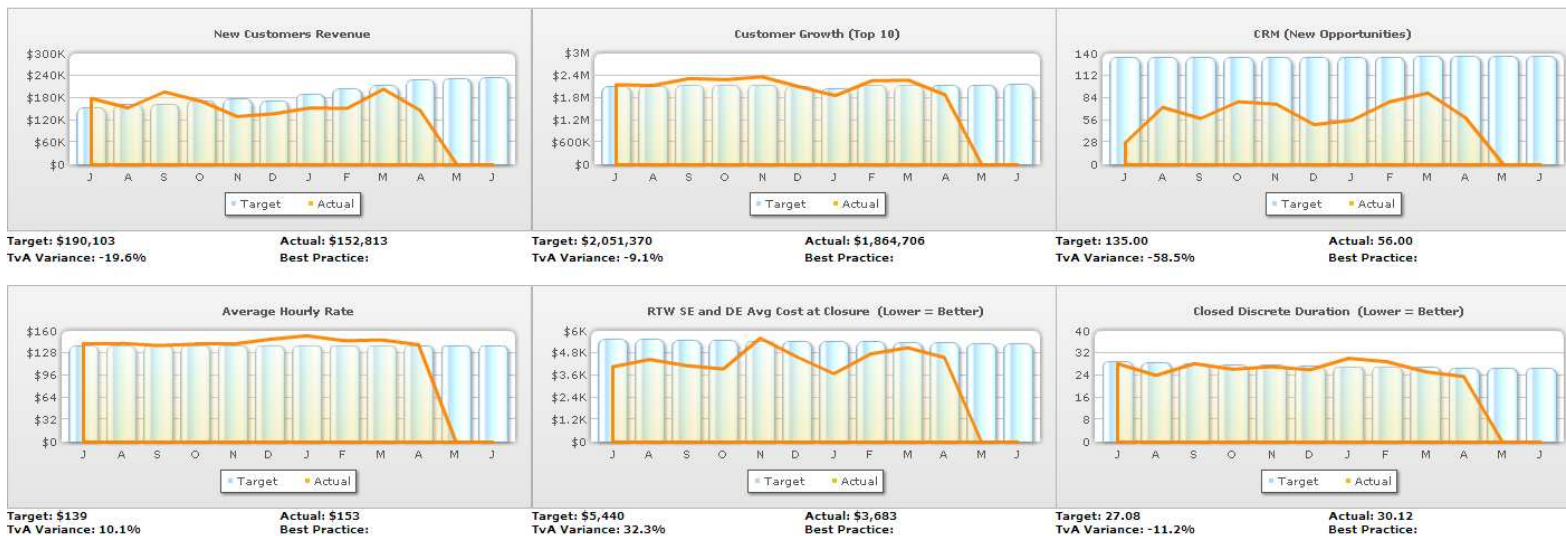


FINANCIAL PERSPECTIVE The Total BSC Score For National (All Regions) region on Jan 2010 is 0.36



Jan 2010 FINANCIAL
2.12
Positive Development

CUSTOMER PERSPECTIVE

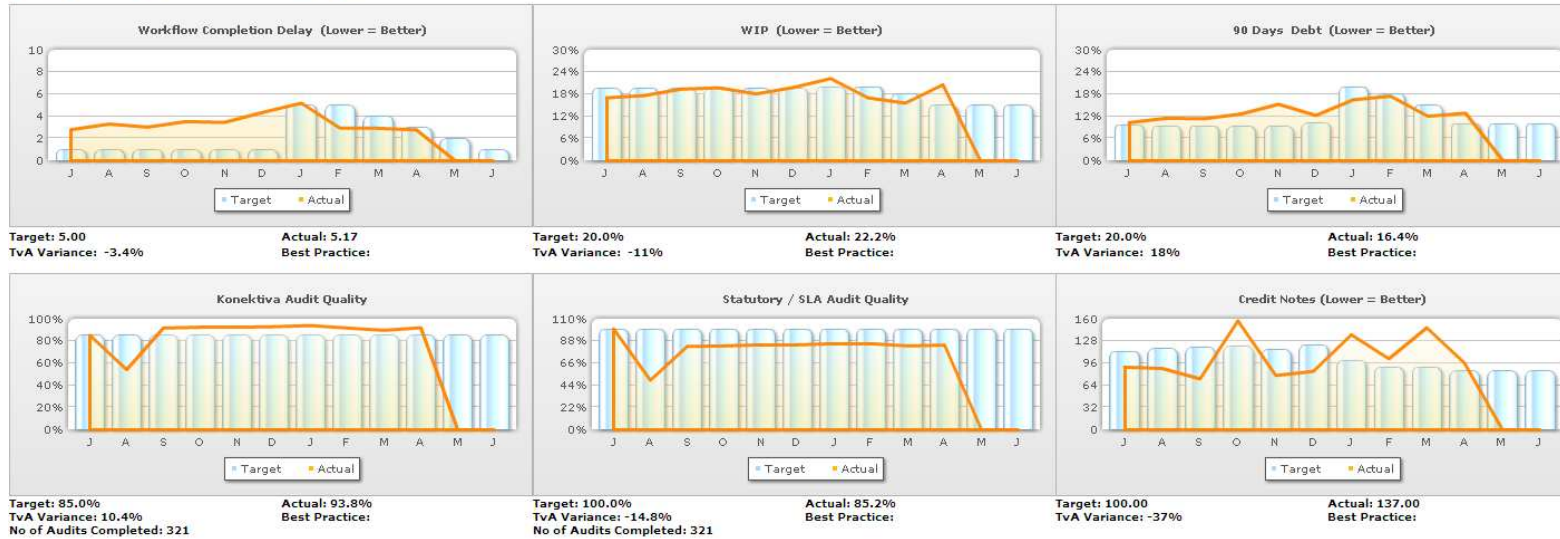


Jan 2010 CUSTOMER
-0.93
Negative Development

Balance Scorecard

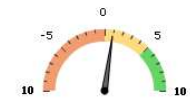
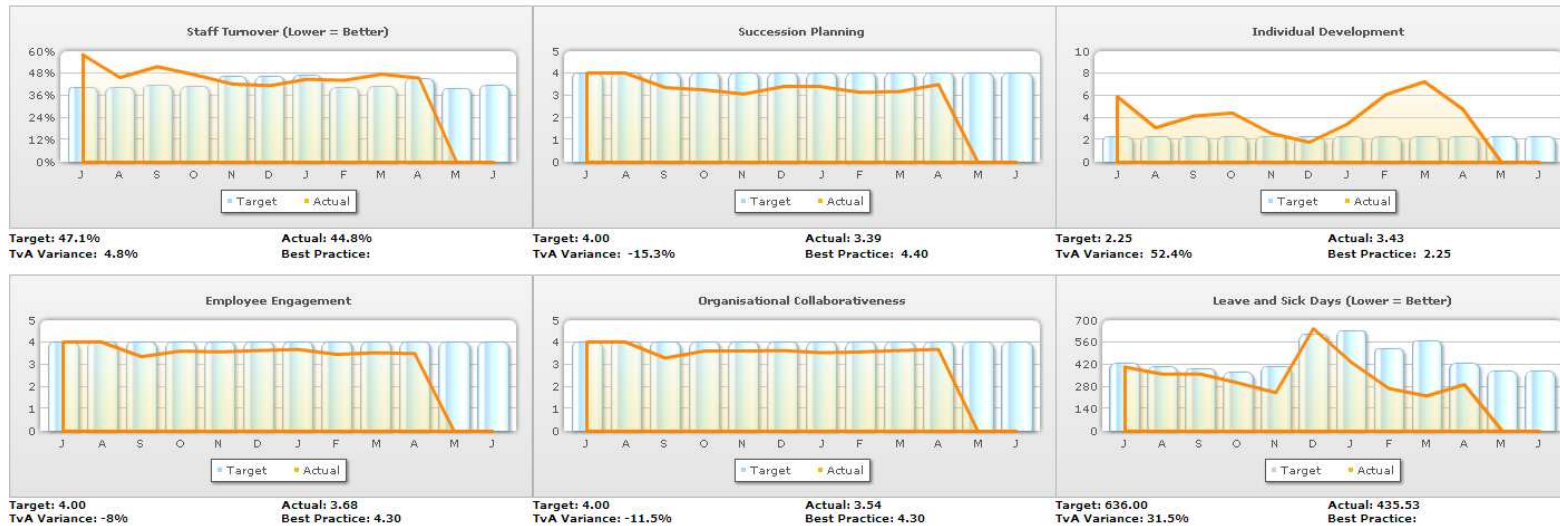


INTERNAL PROCESSES PERSPECTIVE



Jan 2010 INTERNAL PROCESSES
-0.63
Negative Development

LEARNING AND GROWTH PERSPECTIVE



Jan 2010 LEARNING AND GROWTH
0.90
Positive Development

Key Achievements



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New Offerings

KONEKT New Offerings

- Konekt Integrated Employer Solution (KIES) provides businesses the option to outsource part, or all of their OHS, injury and workers compensation risk management function. KIES combines the service capability of Konekt's allied health professionals with a new innovative technology platform that provides complete process and compliance transparency.

KONEKT New Offerings

- Konekt Pre-employment services in partnership with the Health Advantage Group have embarked on the design and implementation of a landmark product offering which revolutionise the medical pre-employment industry. The new digitised system combines the best aspects of both the traditional medical doctor provided screen, interfaced with the Konekt functional assessment all undertaken at one location.

Agenda



Current Situation
Achievements this year



Strategic Direction
What is the strategy?



Execution
How will we execute?

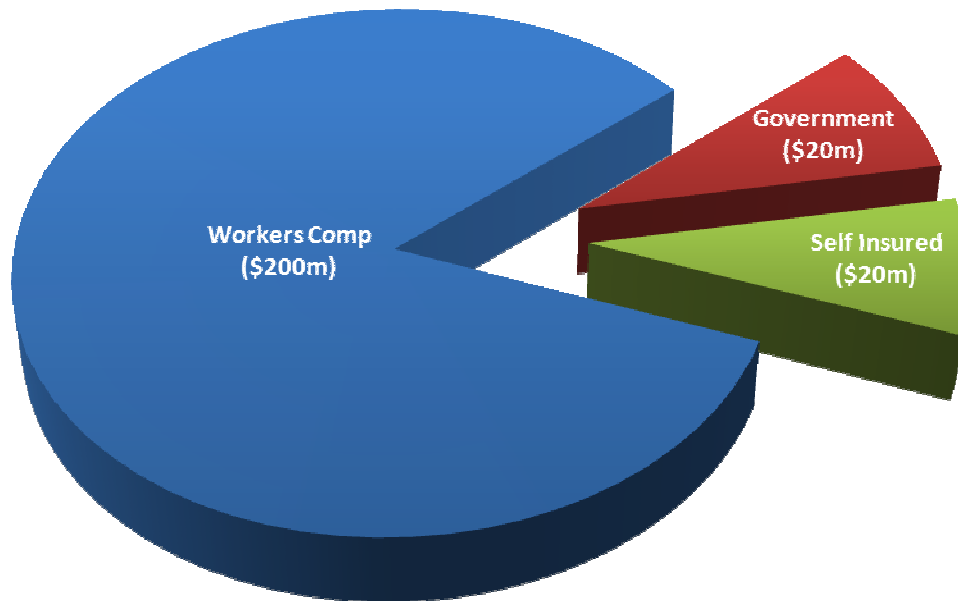


Outlook
For 09/10 full year

Key Insights: Domain 2 – Macro Market



Total Rehab Market Share (\$240m)

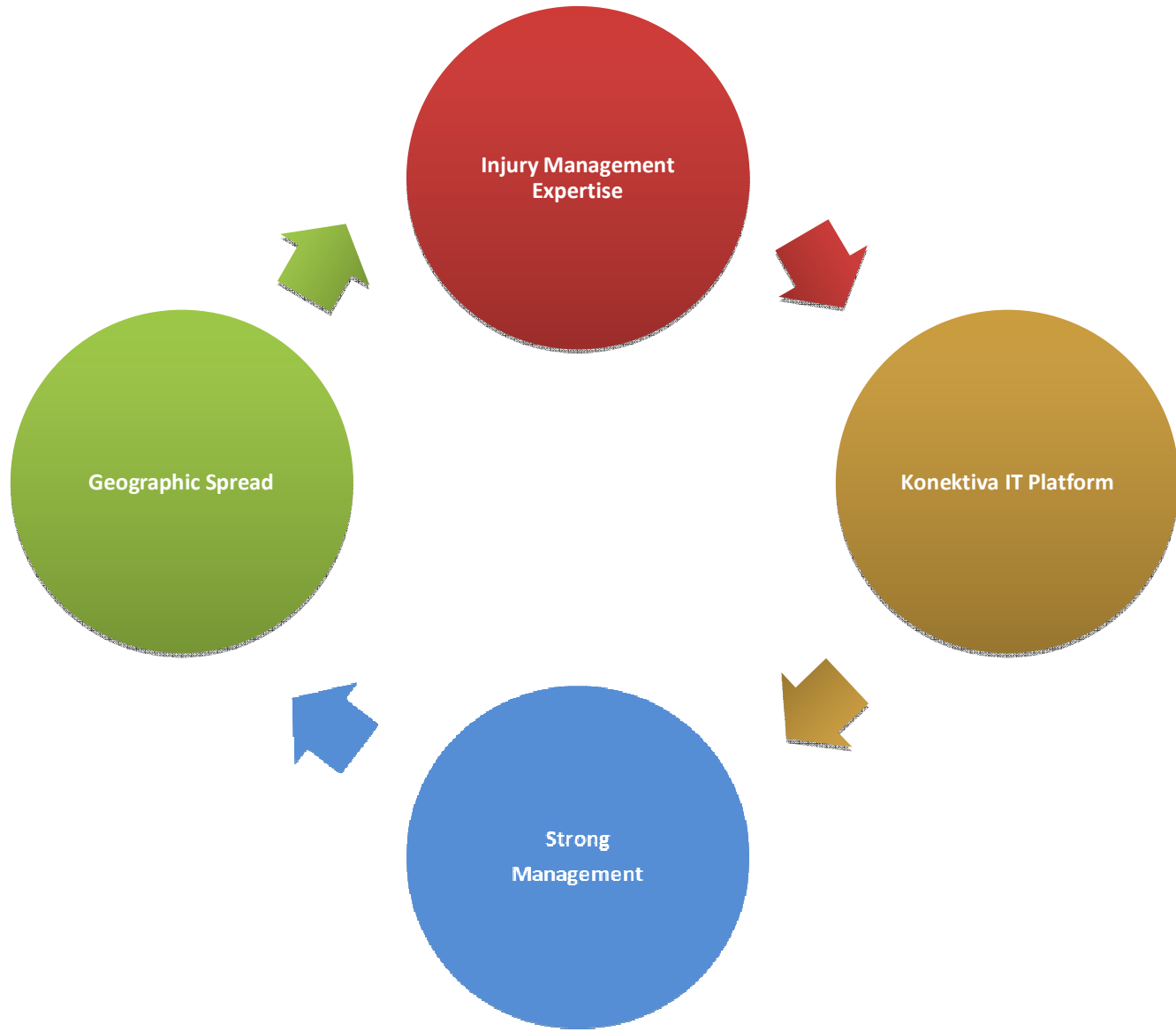


Market Trends

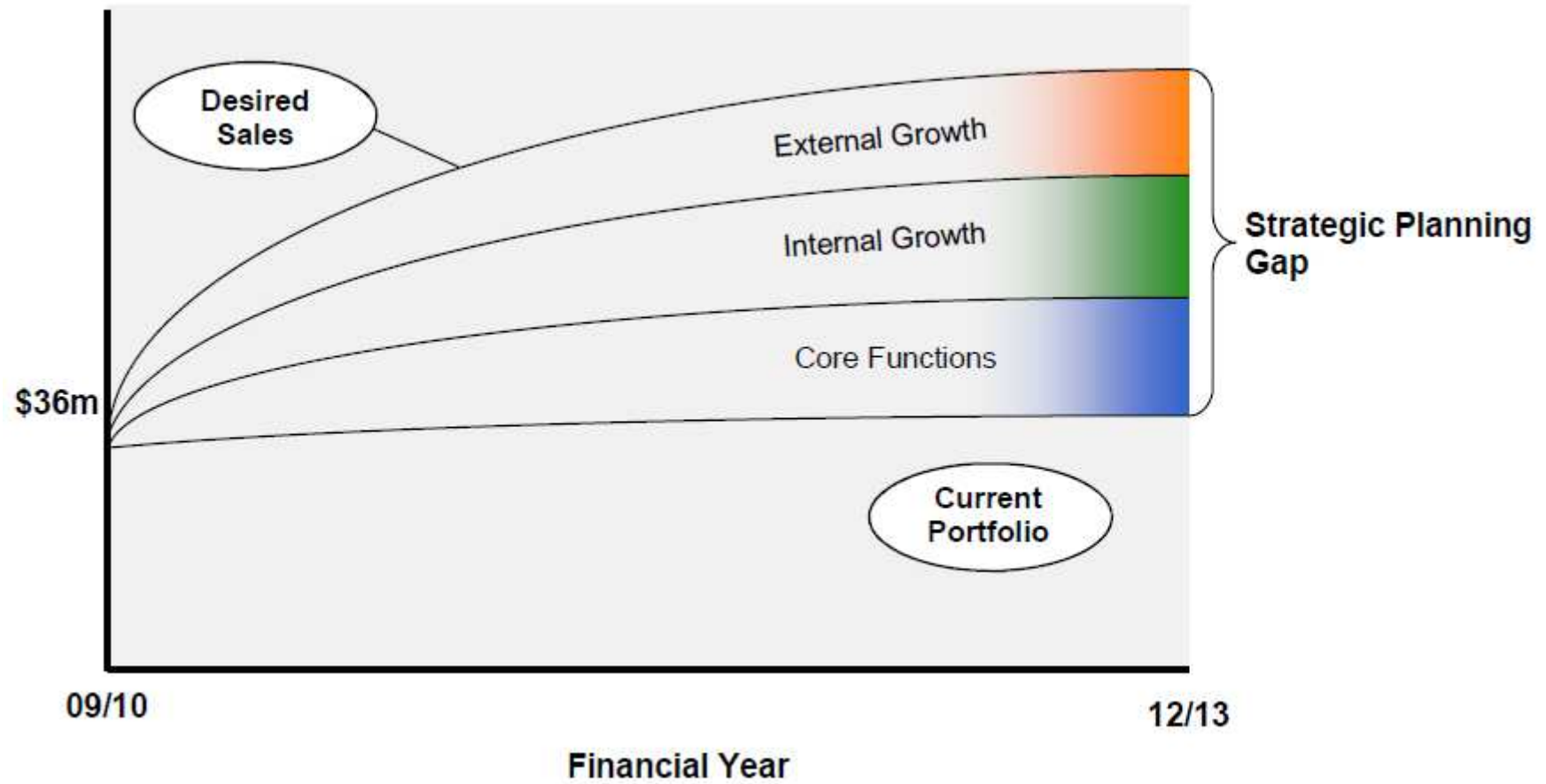
- Reduced injury rates.
- Agents moving to fixed fee/outcome based fees.
- Consolidation of Agent panels.
- Greater focus on tail
- Greater focus on early intervention

Core Competencies

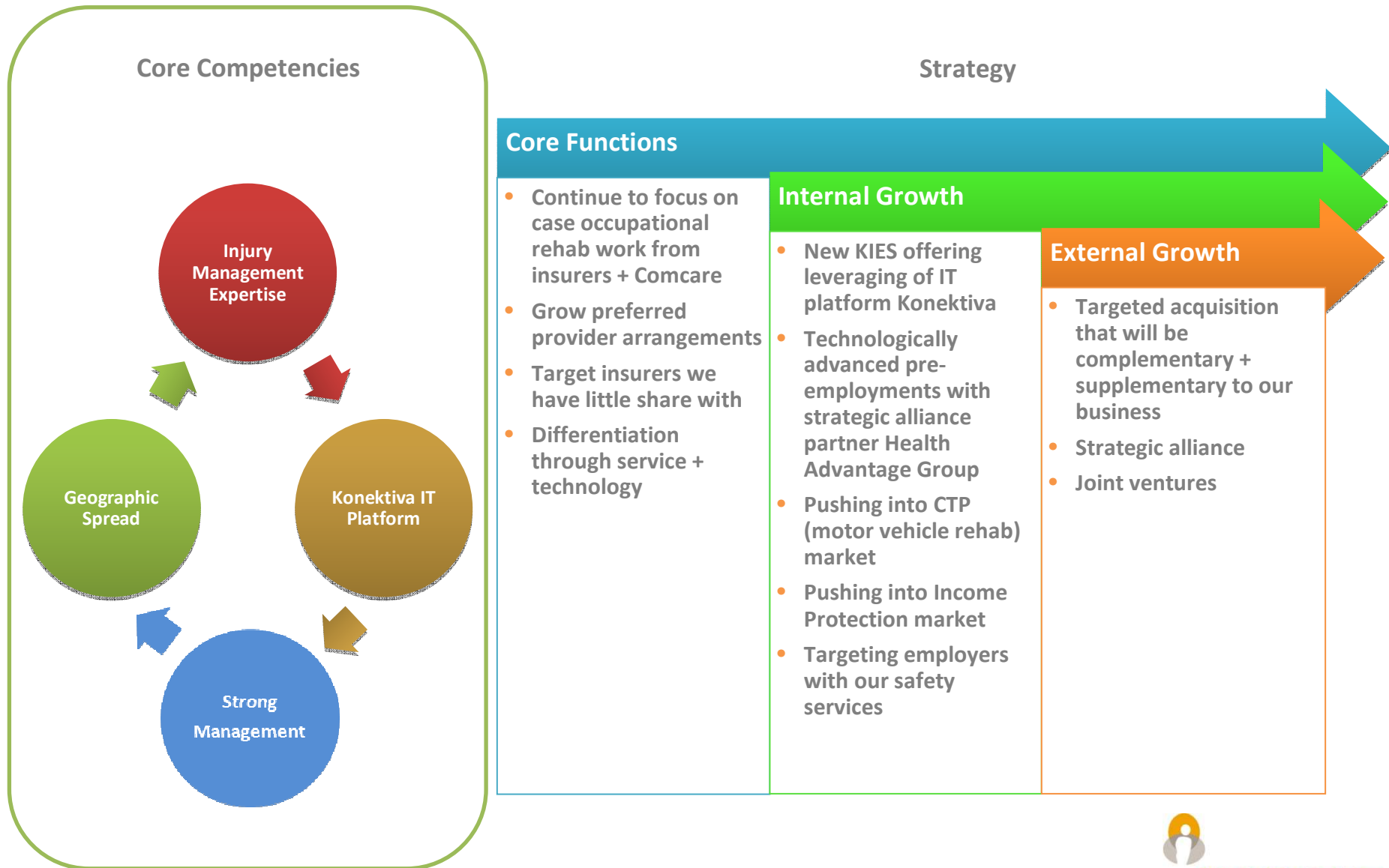
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Strategic Planning Gap



Strategic Direction



Agenda



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Outlook
For 09/10 full year

Growth Expectations

- Minimum of 15% annual organic growth
- Improving profitability percentage from revenue growth
- Acquisition sought in targeted niches. Generally earn out type deals
- Strategic alliances much more actively pursued

Execution

- Significant investment into the IT development of the KIES offering
- Investment into the digitised pre-employment offering
- Three new BD staff recently hired to execute our strategy
- Significant training of our operational management in BD has occurred
- Dedicated resources to execute the CTP and Income Protection market focus

Agenda



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Outlook
For 09/10 full year

Update on full year outlook

- Last quarter revenue has been negatively impacted by file portability in NSW as a result of the recent tender
- Revenue now expected to come in around \$36.2m, with EBIT of \$2.2m.
- Cash flow from operations of \$2.3m and available funds of \$4.4m.

Full year NP outlook

- As a result of the continued profitability of the company it will be necessary to recognise prior years tax losses and other temporary differences in the 2009-2010 accounts
- As a result we will have a one off positive adjustment to earnings and future years earnings will be subject to income tax expense

Full year NP outlook

EBIT	\$2.2m
Interest	\$(0.1m)
PBT	\$2.1m
Tax on PBT	\$(0.6m)
Tax credit on prior year tax losses and temp diff	\$3.3m
PAT	\$4.8m
EPS 6.8 cents	
Average shares on issue 70,892,959	

In closing, I would like to thank you
for your support as shareholders.

KONEKT