

27 May 2010

Goldman Sachs JBWere Micro Cap Conference



ASX: NFK

NORFOLK 
INTEGRATED ENGINEERING

Agenda

1. Norfolk the Company
2. What we do
3. Key projects
4. Summary of Results
5. Market drivers & Strategy
6. Outlook
7. Questions

**NORFOLK
IS A LEADING
PROVIDER OF
INTEGRATED
ENGINEERING
SOLUTIONS**

NORFOLK 
INTEGRATED ENGINEERING

Growing company, built on heritage and experience

O'Donnell Griffin dates from 1906



ELECTRICAL &
COMMUNICATIONS
ENGINEERING

O'DONNELLGRIFFIN
EXPERTISE • COMMITMENT • RESULTS

Haden dates from 1816 and celebrated its 40th year of operations in Australia in 2009



AIR CONDITIONING
& MECHANICAL
ENGINEERING

HADEN
EXPERTISE • COMMITMENT • RESULTS

Resolve FM dates from 1962 as a specialist facilities management business



TECHNICAL FACILITIES
MANAGEMENT SERVICES

Resolve FM
EXPERTISE • COMMITMENT • RESULTS

NORFOLK 
INTEGRATED ENGINEERING

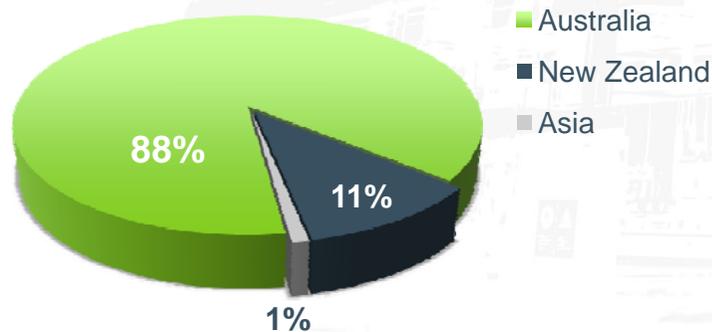
A brief history of Norfolk

- **2004:** Established to acquired engineering services companies from Tyco in Australasia
- **2005:** First major rail alliance contract with South Improvement Alliance for the upgrade of the Southern Corridor between Melbourne and Sydney
- **2007:** Listed on the ASX; International expansion into India via acquisition of 85% of an air conditioning company
- **2008:** Member of Novo Rail alliance; Awarded Ontrack contract with NZ government
- **2009:** Consolidate of portfolio through disposal and closure of non core under performing businesses; Strategic focus on increasing recurring revenue and staff retention
- **2010:** Further expansion of our international business with a 5 year engineering service contract in Vietnam and setup of Rail JV in Hong Kong

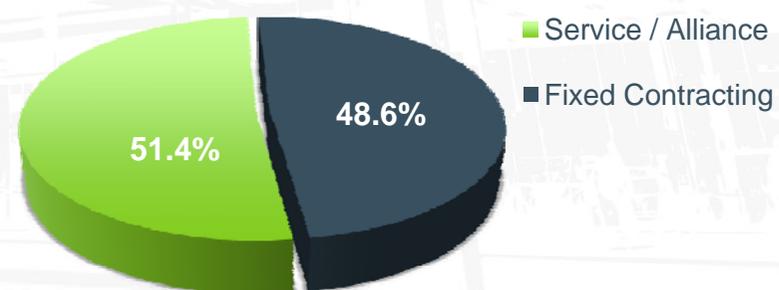
Today, Norfolk is a major player

- Employs approximately 3,500 people, with around 285 apprentices
- Market leader in the Australian electrical engineering, contracting and services market
- Number one in the non-residential Australian 'HVAC' maintenance services market
- Around \$800m revenue, over 50% delivered through service/maintenance and alliance contracts
- More than 150 locations across Australia, New Zealand & Asia.

Revenue by Location



Revenue Split



What we do

ELECTRICAL &
COMMUNICATIONS
ENGINEERING



Sector

- Rail
- Power
- Resources
- Water
- Telecoms/data

Services

- Engineering Design
- Repairs & Maintenance
- Construction
- Project Management

AIR CONDITIONING
& MECHANICAL
ENGINEERING



Sector

- Health
- Education
- Government
- Industrial
- Commercial

Services

- Engineering Design
- Service & Maintenance
- Construction
- Project Management
- Energy Efficient Management

TECHNICAL FACILITIES
MANAGEMENT SERVICES



Sector

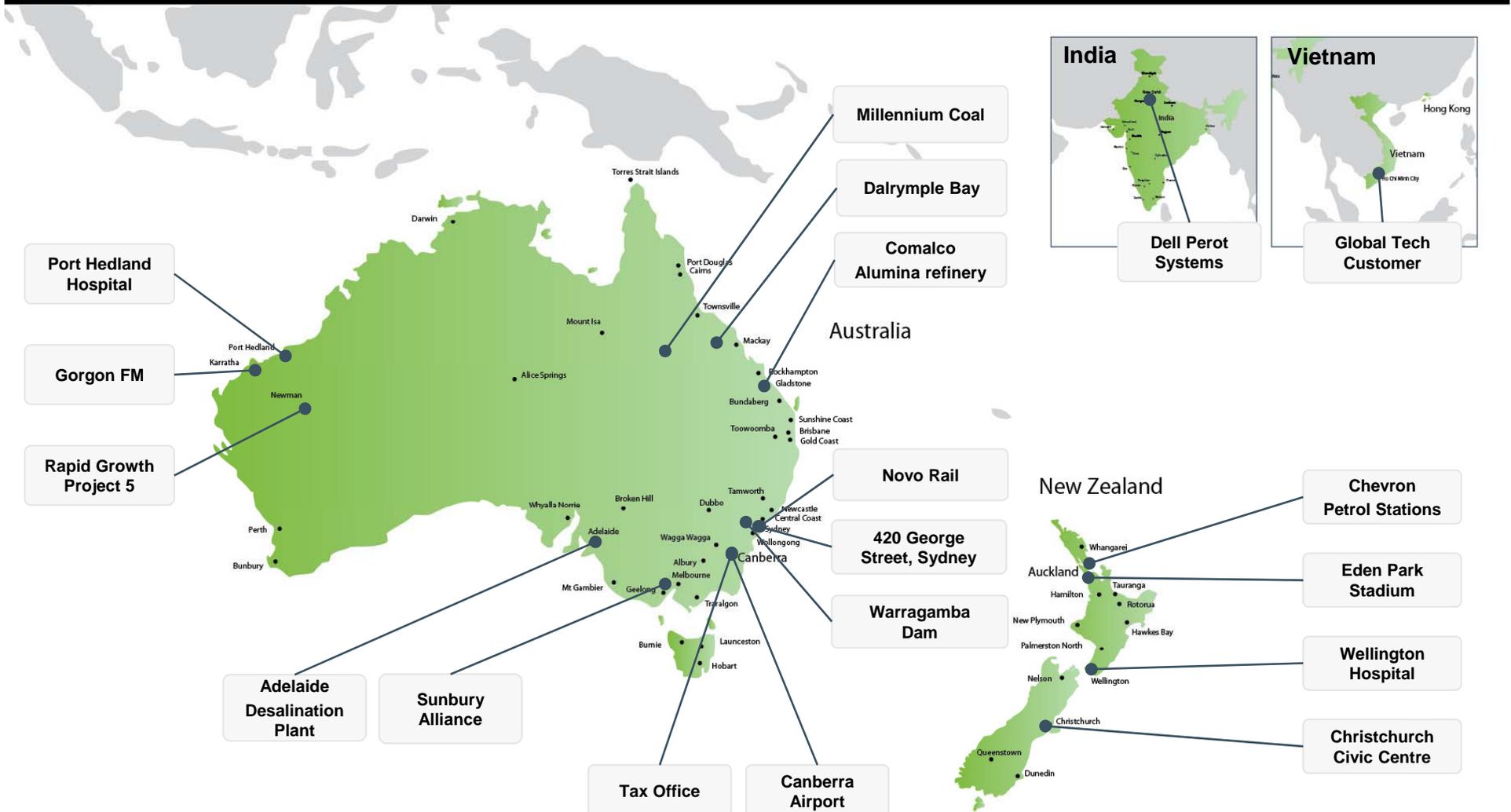
- Health
- Correctional
- Education
- Government

Services

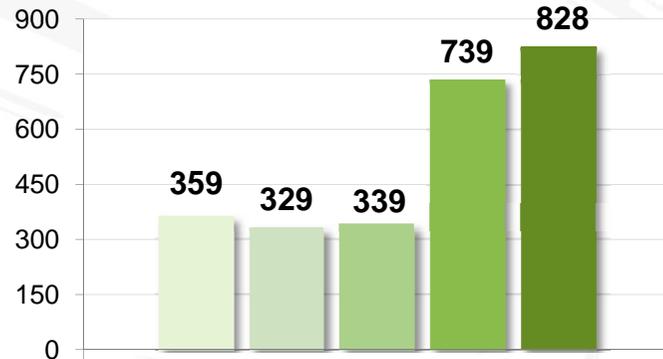
- Facilities Management
- Facilities Audit
- Energy Efficient Management
- Project Management



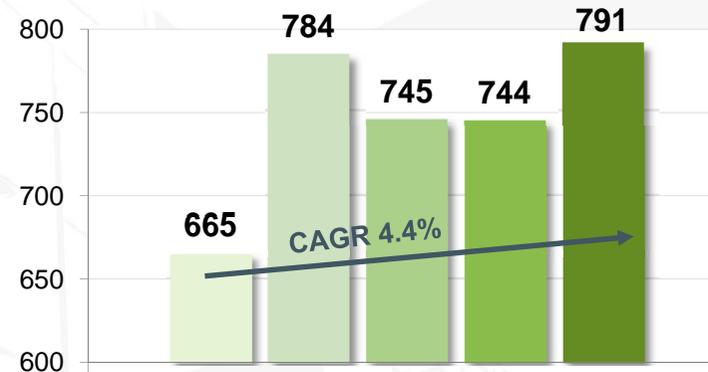
Key projects by region



Sustainable growth (A\$m) ⁽¹⁾



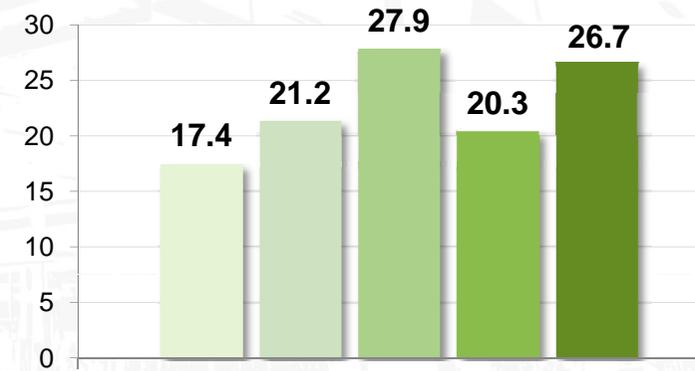
Order Book



Revenues



NPAT ⁽²⁾



Operating Cashflow



(1) From continuing operations

(2) FY2009 normalised to exclude one-off impairment charge

Key highlights



- Revenue ⁽¹⁾ \$792 million at record level
- 20.7% increase in NPAT ⁽¹⁾
- EPS ^(1,2) up 18.4% to 13.54 cents per share
- EBITDA ⁽¹⁾ up 7.4% to \$36.2 million
- Operational cash flow ⁽¹⁾ \$26.7m up 31.5%
- Strong balance sheet, successful completion of Rights Issue
- Record order book of \$828 million
- NZ operations returned to profitability
- Continued improvement in safety performance

(1) From continuing operations

(2) EPS restated to reflect Rights Issue

Financial performance from continuing operations

A\$ Million		2010	2009 ⁽²⁾	Change
Revenue	A\$m	791.8	744.2	6.4%
EBITDA	A\$m	36.2	33.7	7.4%
Operating Cash Flow	A\$m	26.7	20.3	31.5%
EBIT	A\$m	30.2	28.9	4.5%
EBIT Margin %	%	3.8	3.9	(0.1%)
NPAT	A\$m	18.1	15.0	20.7%
EPS (cents) ⁽¹⁾	cps	13.54	11.41	18.7%

(1) EPS restated to reflect Rights Issue

(2) FY2009 normalised to exclude one-off impairment charge

Balance sheet, capital structure & dividend policy

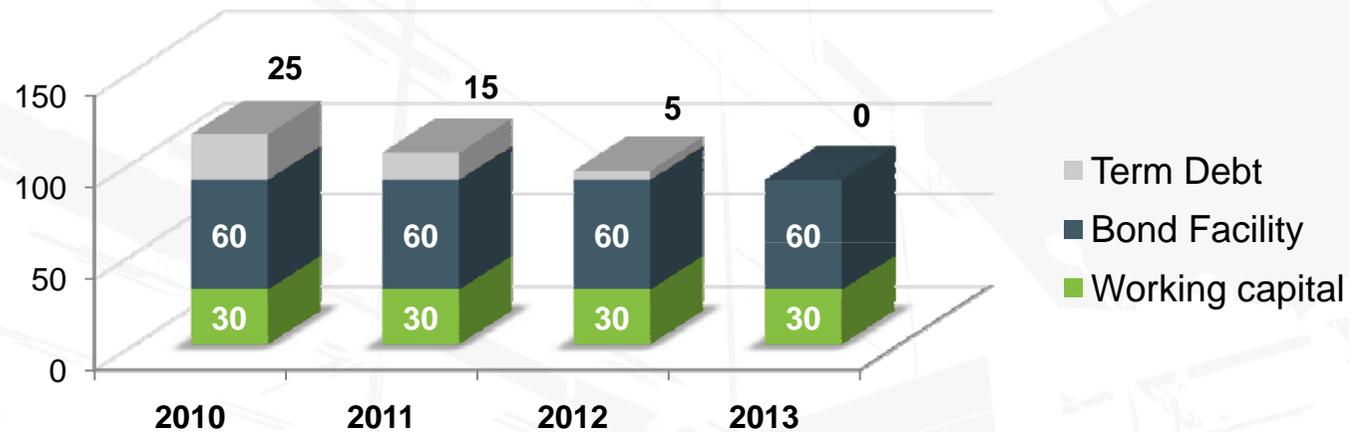
- Rights Issue in February 2010 raised \$19.9m and significantly strengthened Norfolk's balance sheet
- Removed refinancing risk
- Capital structure policy focused on debt repayment to further strengthen balance sheet for future strategic growth

Balance Sheet (as at 31 March 10)	Including Rights Issue	Excluding Rights Issue
Net Debt (including finance leases)	13,360	33,225
Total Equity	69,415	49,550
Net Debt / Net Debt plus Equity	16%	40%
Net Debt / EBITDA ⁽¹⁾	0.4 x	1.0 x
Interest Cover (rolling 12 months) ⁽²⁾	6.4 x	6.4 x

(1) From continuing operations

(2) Interest expense actual last 12 months. No adjustment for interest expense pre Rights Issue.

Debt profile

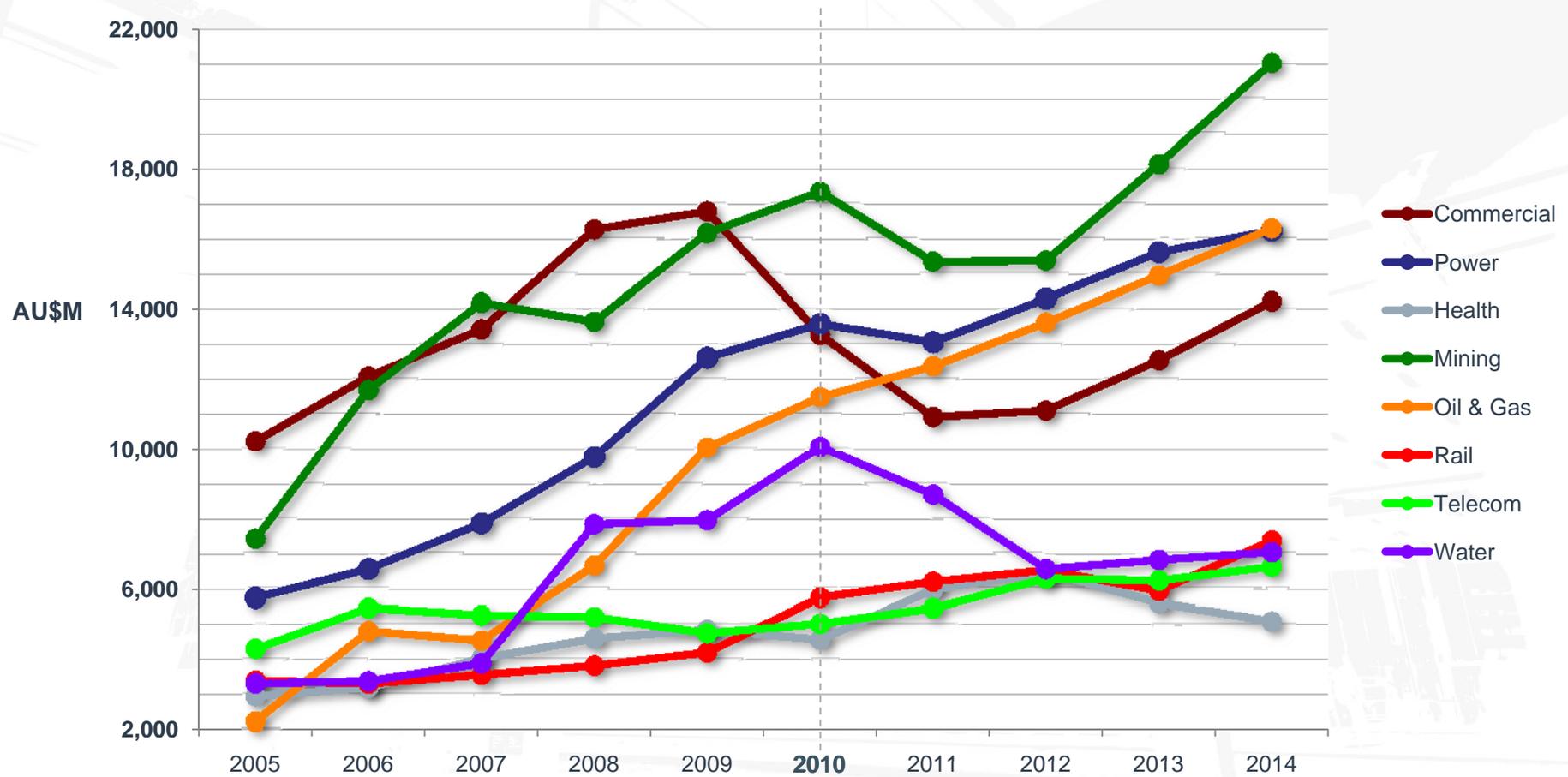


Debt details	March 2010	March 2011	March 2012	March 2013
Current Term Debt	25	15	5	0
Working Capital	30	30	30	30
Bond Facility	60	60	60	60
Total Debt Facility	115	105	95	90

- Profile excludes \$3m finance leases which are expected to be replaced with new finance leases as old leases expire

Market size per year – Australia

■ Norfolk well exposed to growth sectors



Market drivers

Telecommunications	Mining	Rail	Water
<p>National Broadband Network (NBN) will drive growth for 8 years</p>	<p>Strong Growth, particularly in coal & iron ore</p> <ul style="list-style-type: none"> • New coal fields Surat, Galilee, Gunnedah • Iron ore expansions Pilbara, Mid-West and Olympic Dam expansion • Hunter Valley coal expansion • Bowen Basin expansion 	<p>Strong Growth in freight & passenger infrastructure</p> <ul style="list-style-type: none"> • Hunter Valley coal rail • Victorian Rail projects • Gold Coast Light Rail • Northbridge Rail Perth • Government investment in ARTC (\$1 billion) 	<p>Activity has slowed with completion of a number of desalination plants though still at an historically high level</p>
Oil & Gas	Health	Power	Commercial
<p>Massive growth in LNG & coal seam gas</p> <ul style="list-style-type: none"> • Gorgon and Wheatstone LNG WA • Coal seam gas developments QLD 	<p>Strong growth</p> <ul style="list-style-type: none"> • Many projects planned across Australia driven by new Government initiatives & increasing health demands of an aging population 	<p>Strong growth in distribution</p> <ul style="list-style-type: none"> • High Voltage Transmission • Positive outlook for mining and heavy industry • Growth in renewable energy – solar and wind 	<p>Service strong, construction flat</p> <ul style="list-style-type: none"> • High building occupancy rate • Continued growth in service and maintenance • Low level of investment in commercial development

Strategy and progress

1. Focus on stable sectors



- National Key Accounts in Haden grew by 28%
- Increase revenue from rail sector
- Marketing plans developed around rail, resources, health and power

2. Recurring & alliance-style revenue



- Earnings from alliance contracting doubled to 10%
- Maintained profit from service/maintenance at 50%
- Awarded Sunbury Alliance Rail contract

3. Technology Leaders



- Developing relationships with technology partners
- Expanding revenue stream by meeting the requirements for environmental sustainability
- Commissioning of rail signaling simulation testing centre

4. Leverage existing customer network



- Expanded contracts with multi-service offering
- Increased cross business sales
- Expansion into Vietnam with existing customer

5. Build strong health & safety culture



- Continued ongoing focus on HSEC
- 44% reduction in LTIFR and 35% reduction in TRIFR
- Safety targets aligned with incentive programs

Outlook



- Favourable long-term growth opportunities, with infrastructure and resource investment
- Record order book (\$828 million) positions the company well for the future
- Maintain commitment to existing Norfolk strategy, including focus on stable sectors
- \$625 million of FY2011 (pcp \$580 million) revenue underpinned by contracts, work orders and ongoing service commitments
- 10% NPAT growth expected in FY2011
- Strong position to achieve growth, whilst being mindful of macro-economic impacts

Questions?

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