



Financial Results Full Year Ended 31 March 2012

ASX:NFK

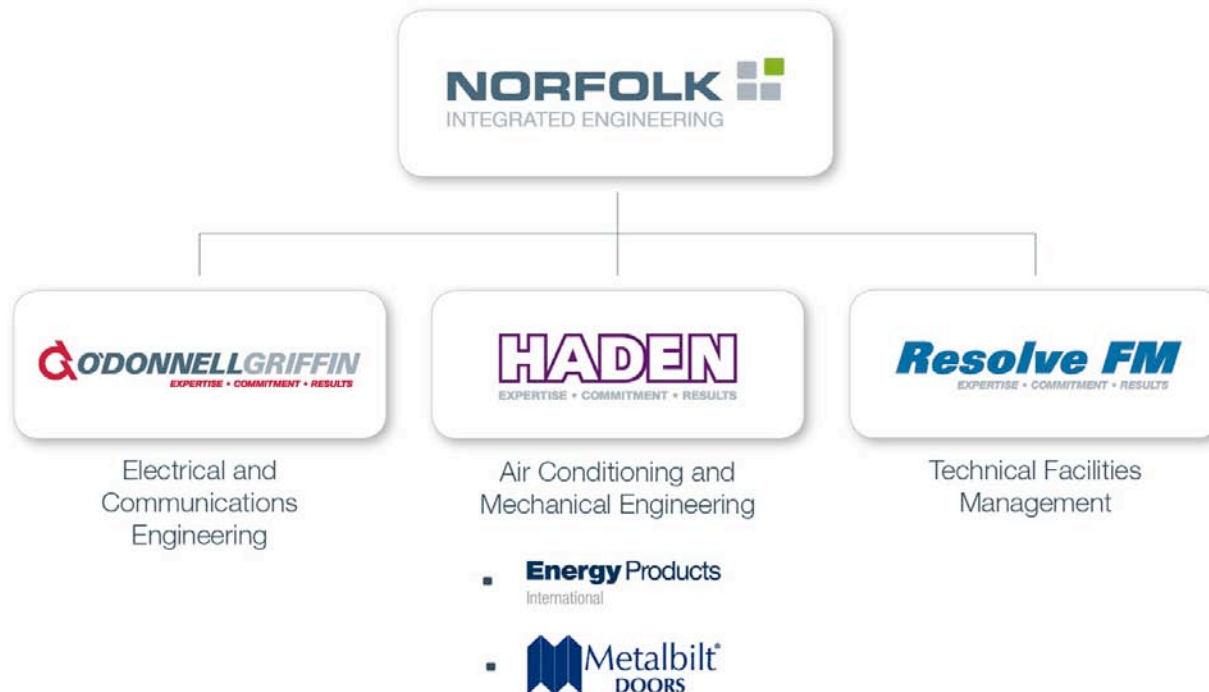
NORFOLK 
INTEGRATED ENGINEERING

24 May 2012

**A LEADING
PROVIDER OF
INTEGRATED
ENGINEERING
SOLUTIONS**

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Integrated Engineering

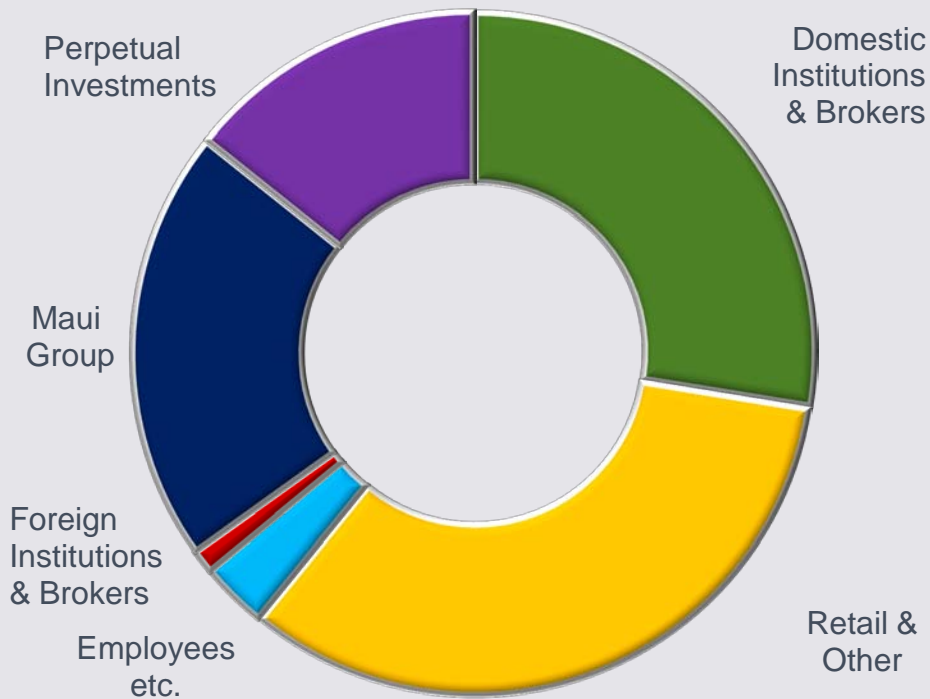


Norfolk integrates the engineering skills and expertise of its member companies to deliver:

- Electrical services
- Data & Communications
- Mechanical services
- HVAC (heating, ventilation and air conditioning)
- Fire protection
- Property services
- Building products

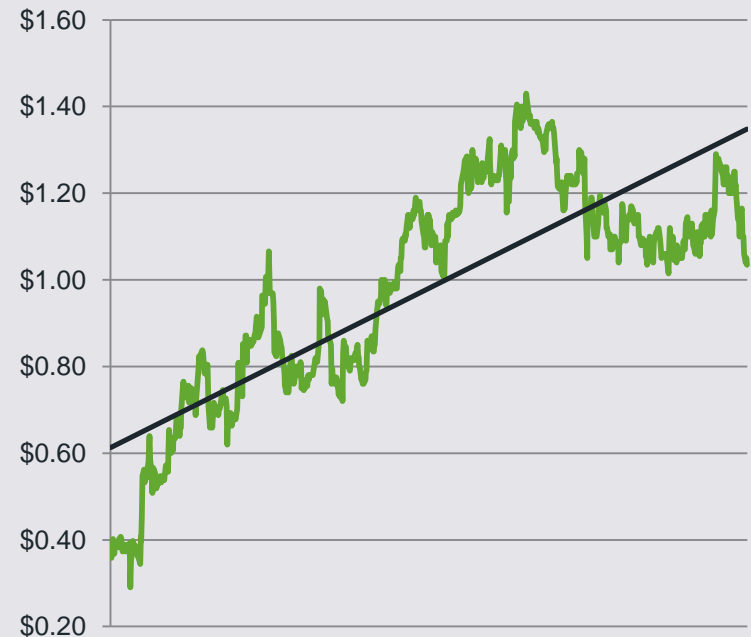
Corporate overview

Share register 30 March 2012



- ASX market capitalisation (circa): **\$175,000,000**
- Shares on issue: **158,890,730**

April 2009 – May 2012 share price performance



1. Key highlights

2. Financial performance

3. Divisional performance

4. Outlook

Key highlights

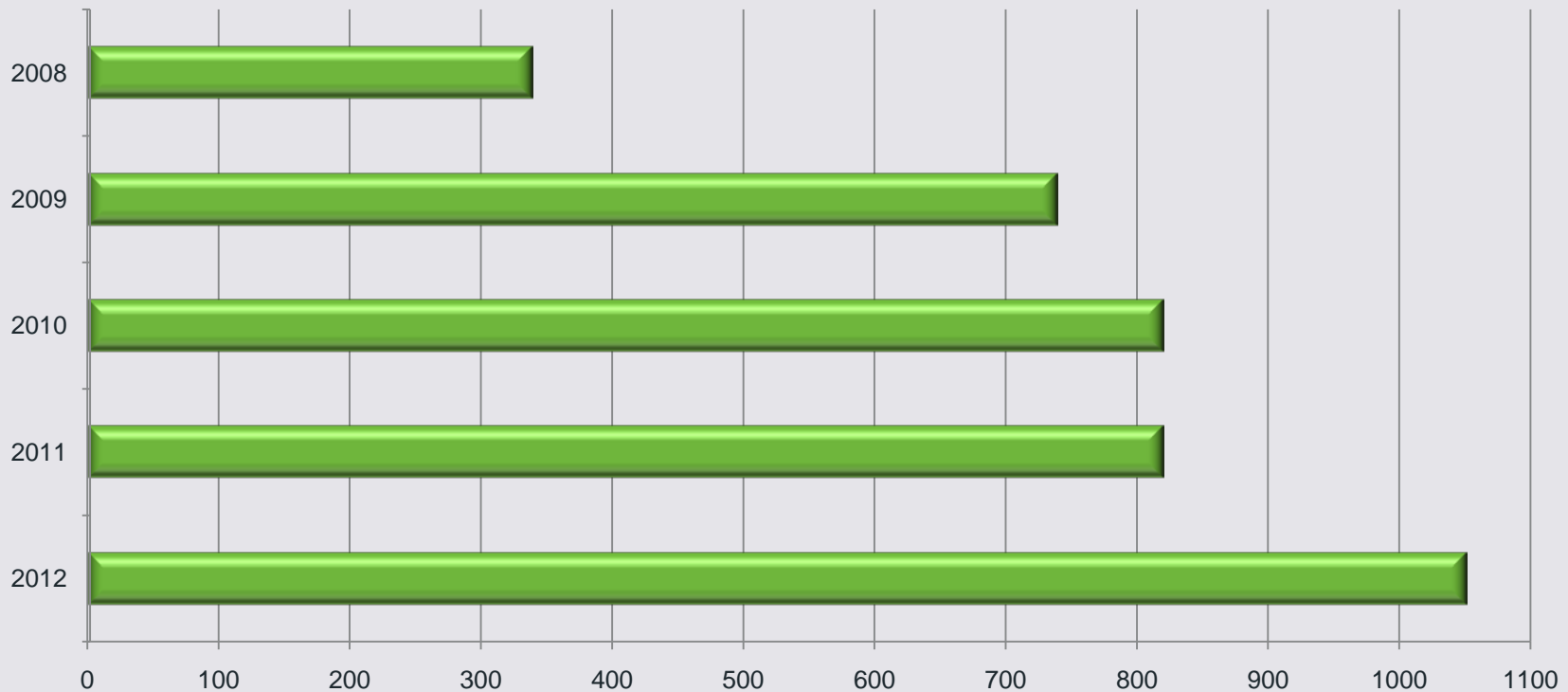
Financial highlights

Revenue	A\$m	901.7
NPAT	A\$m	36.8
Normalised NPAT	A\$m	22.1
EBIT ⁽¹⁾	A\$m	30.8
EPS (cents)	cps	23.2
Order Book	A\$m	1,051

- Solid full year revenue of \$901.7 million
- Net Profit After Tax (NPAT) of \$36.8 million
- One-off tax benefit of \$16.8 million
- Normalised NPAT growth of 5%, meeting guidance
- EBIT of \$30.8 million ⁽¹⁾
- Debt free with access to funding through renewed banking facilities
- 28% increase in order book to \$1,051 million, positioning the group for sustainable growth
- Unfranked dividend of 2 cents declared

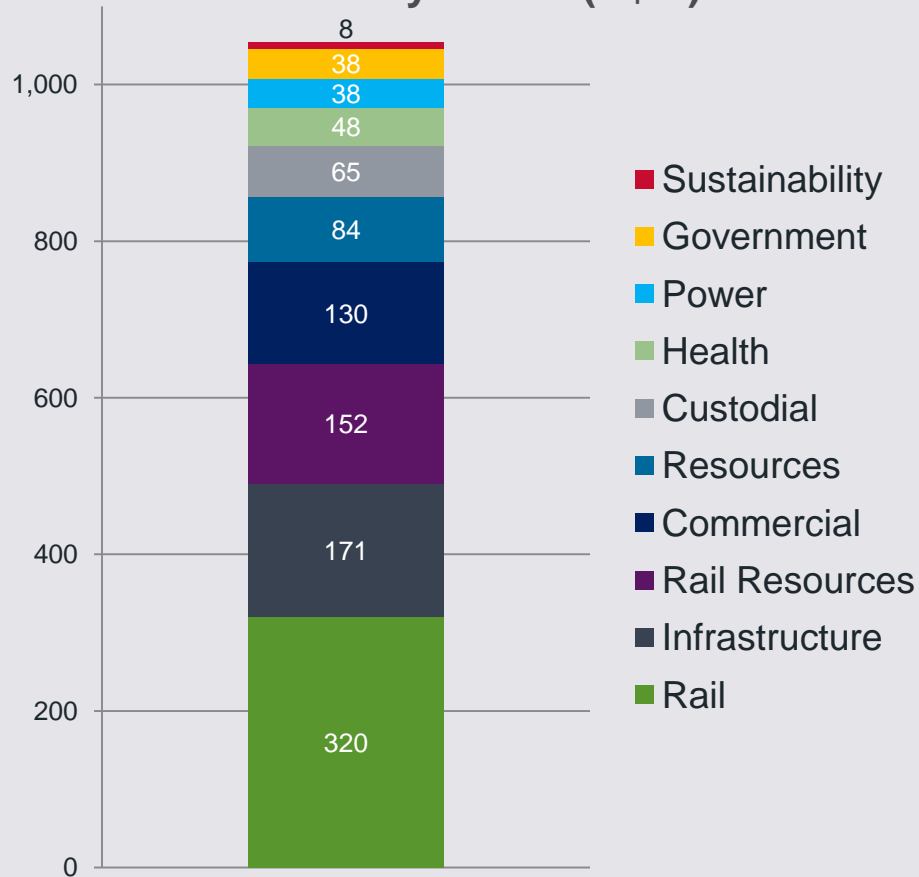
Order book overview

Order book growth (A\$m)



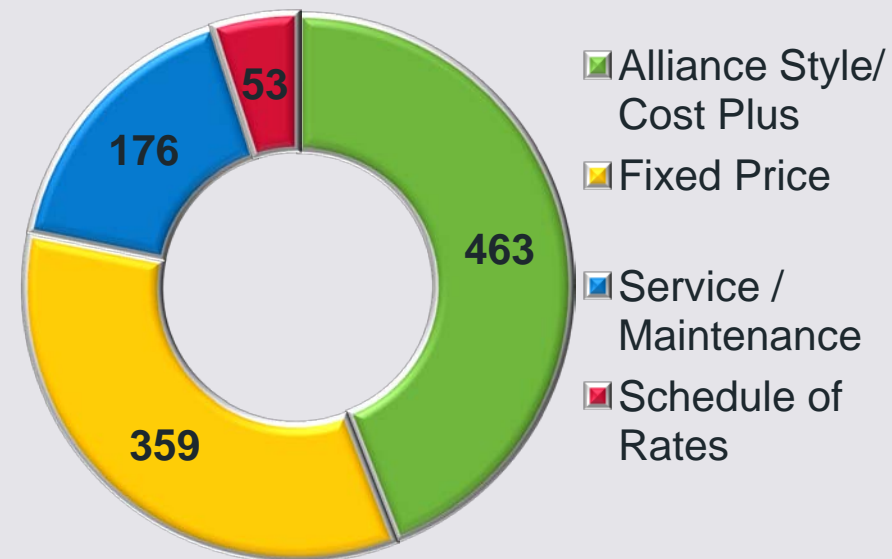
Order book detail

Order book by sector (A\$m)



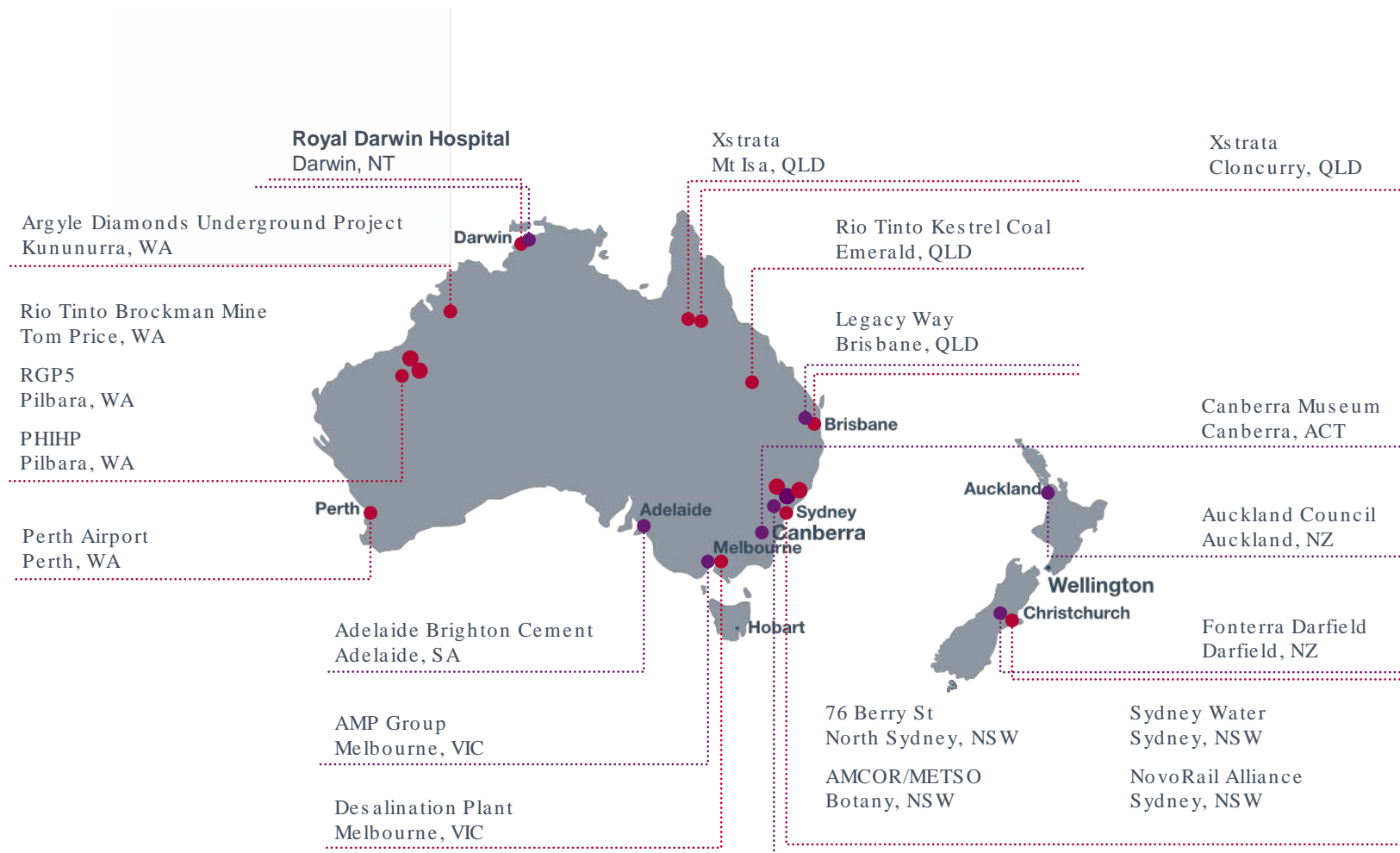
Total: \$1051 m

Order book by contract type (A\$m)



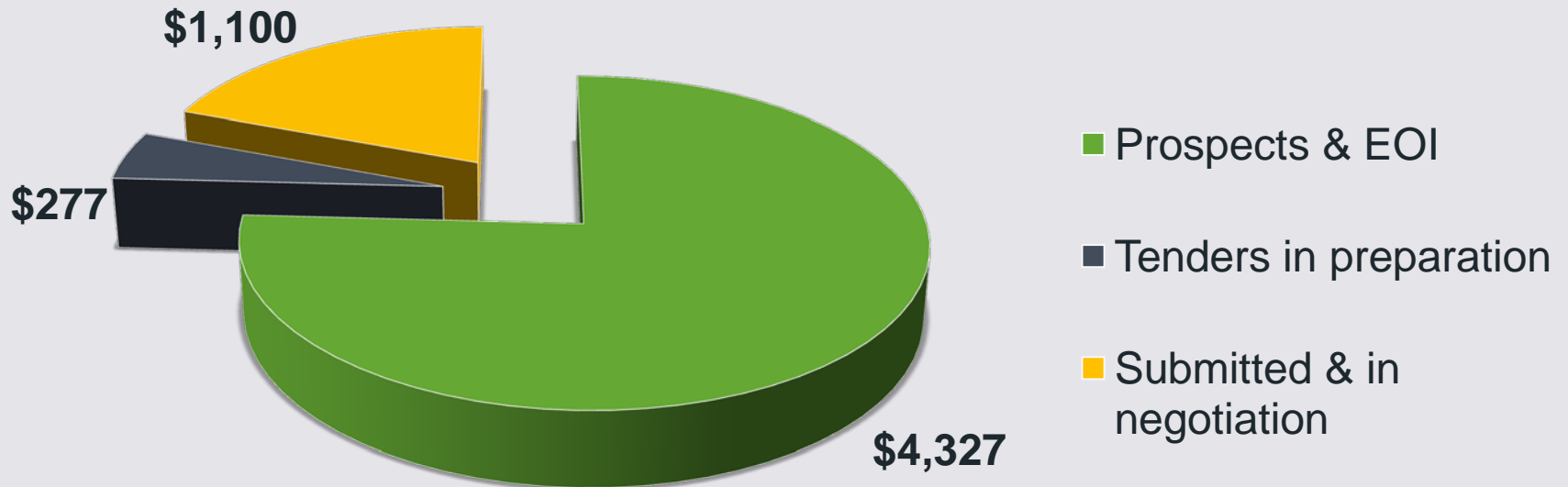
Key Projects

- Haden Engineering Projects
- O'Donnell Griffin Projects

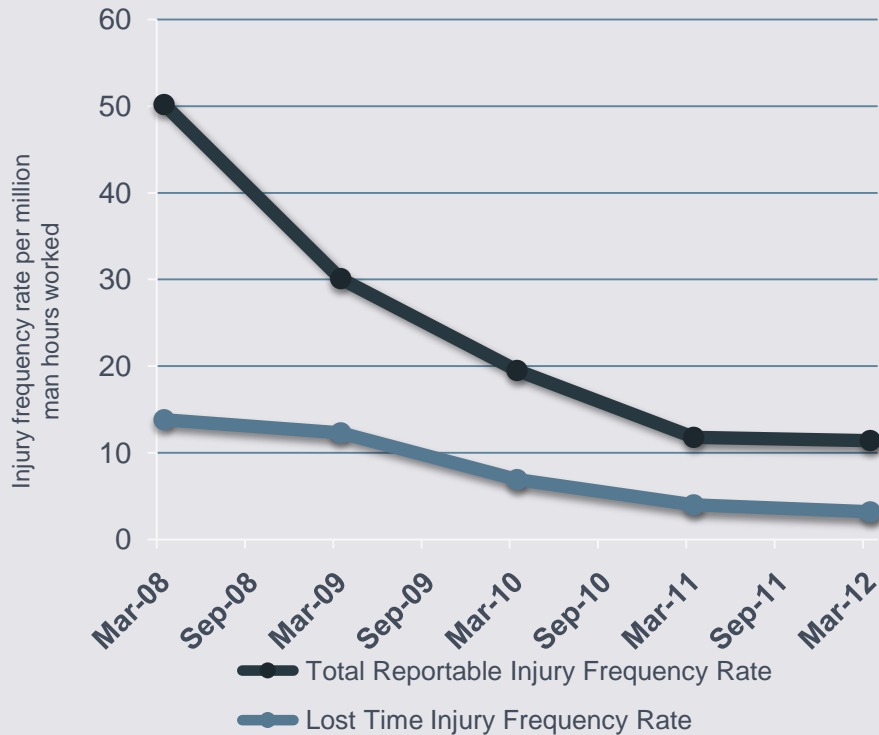


Pipeline

Pipeline breakdown by status (A\$m)



Safety focus



Ongoing commitment to safety resulting in improved safety level:

- 20% reduction in LTIFR
- 56 locations recording zero Total Reportable Injuries
- Improved safety and environment management system
- Introduction of lead performance indicators

1. Key highlights
2. Financial performance
3. Divisional performance
4. Outlook

Financial performance

		2012	2011 ⁽¹⁾	Change
Revenue	A\$m	901.7	915.7	(1.5%)
EBITDA	A\$m	35.6	40.9	(13%)
EBIT ⁽²⁾	A\$m	30.8	32.3	(4.6%)
EBIT Margin %	%	3.4	3.5	(0.1)
NPAT	A\$m	36.8	21.1	74.4%
Normalised NPAT	A\$m	22.1	21.1	4.9%
Operating Cash Flow	A\$m	11.5	33.6	(65.8%)
EPS (cents)	cps	23.2	13.3	74.4%

(1) From continuing operations

(2) Excluding Indian goodwill impairment

Normalised NPAT

		2012	2011
NPAT	A\$m	36.8	21.1
Tax Benefit	A\$m	(16.8)	---
Indian Goodwill Impairment	A\$m	2.1	---
Normalised NPAT	A\$m	22.1	21.1

- Norfolk recognised a one-off tax benefit of \$16.8 million during the 2012 financial year
- Prudent decision to impair Indian business goodwill

Cash flow summary

		2012	2011 ⁽¹⁾
EBITDA	A\$m	35.6	40.9
Change in Working Capital	A\$m	(22.9)	(6.9)
Finance Costs (Net)	A\$m	(3.1)	(2.9)
Income Tax Refund	A\$m	1.9	2.5
Operating Cash Flow	A\$m	11.5	33.6
Capital Expenditure (Net)	A\$m	(12.5)	(10.4)

- Increase in working capital due to the demands of larger, more complex contracts with longer payment cycles
- Capital expenditure increase due to ongoing investment in R&D, business process reengineering and other IT capex

(1) From continuing operations

Balance sheet, capital structure & dividend policy

- The Group remains debt free
- New three-year \$150 million bank facilities agreed with existing financiers
- Additional working capital and guarantee limits to facilitate growth
- Unfranked dividend of 2 cents per share declared

Balance Sheet		2012	2011 ⁽¹⁾
Net Cash/(Debt) (including finance leases)	A\$m	2.8	8.1
Total Equity	A\$m	122.4	89.9
Net Debt / Net Debt plus Equity	%	N/A	N/A
Net Debt / EBITDA		N/A	N/A
Interest Cover (rolling 12 months)		8.8 x	12.3 x

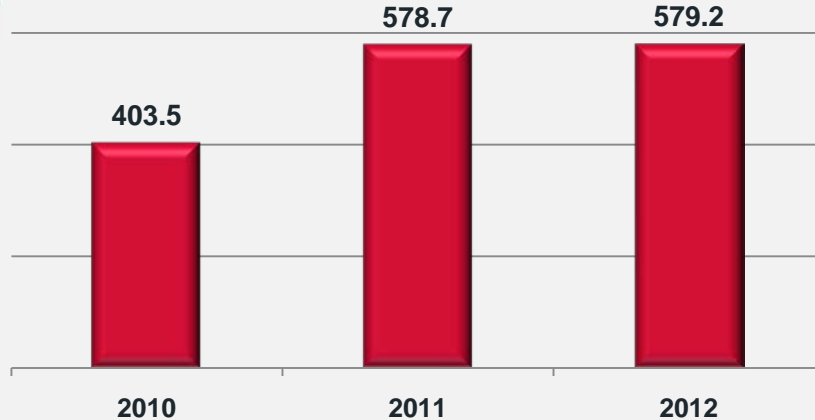
(1) From continuing operations

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Divisional performance



Revenue A\$m

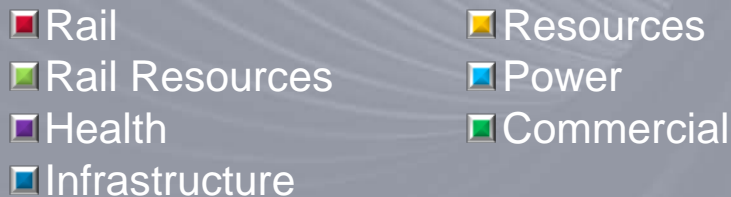
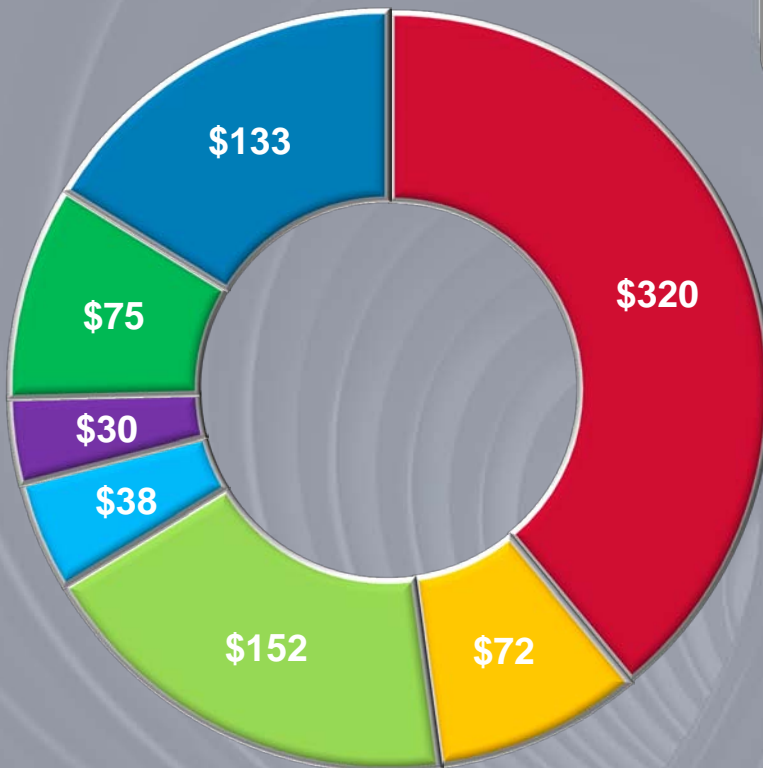


EBIT A\$m



- Another strong performance
- FY2012 revenue remains at elevated FY2011 levels
- Some impact from project delays and adverse weather
- 34% growth in order book
- Continued growth in target market sectors

Order book by Sector (A\$m)



O'DONNELLGRIFFIN

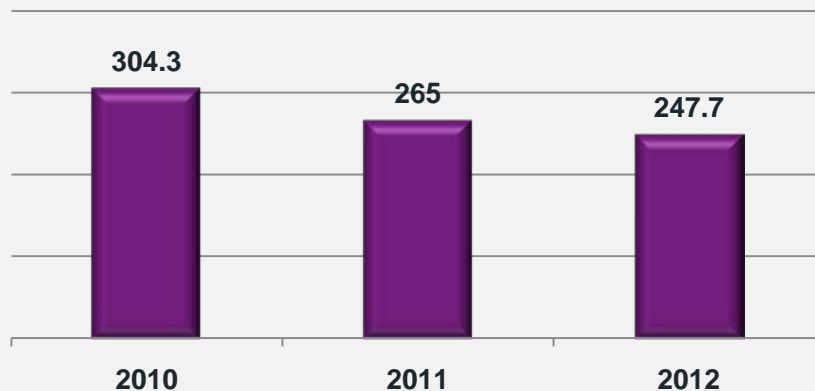
Divisional outlook

- Strong order book and pipeline
- Continued strength in key growth areas
 - Rail
 - Resources
 - Power
 - Infrastructure
- Ongoing development of specialist expertise, including investment in proprietary technology
- Key projects:
 - Port Hedland Inner Harbour Project (BHP)
 - Rio Tinto framework projects
 - Novorail Alliance
 - Darwin Hospital
 - Legacy Way

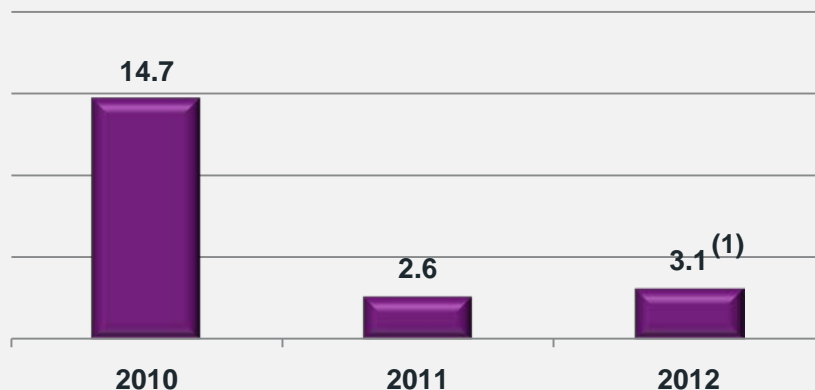
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Divisional performance

Revenue A\$m



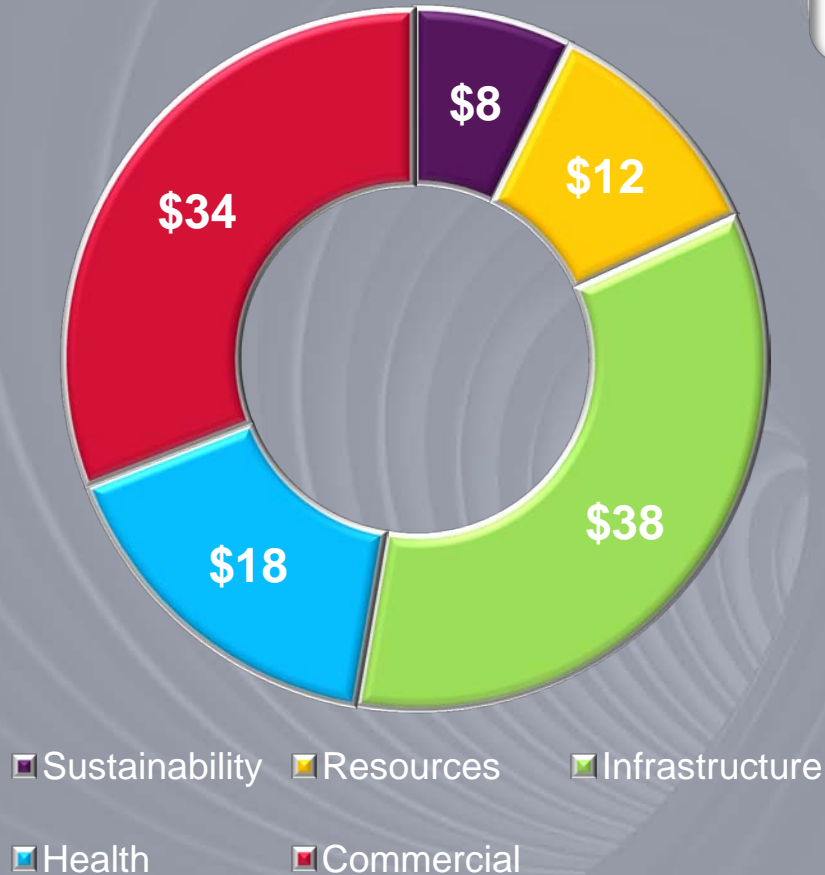
EBIT A\$m



- Strong second half performance with momentum building through focus on growth sectors:
 - Sustainability
 - Industrial / resources
 - Health
- Successfully reduced overheads and direct labour costs
- 28% Growth in order book

(1) Excludes Indian goodwill impairment

Order book by sector (A\$m)

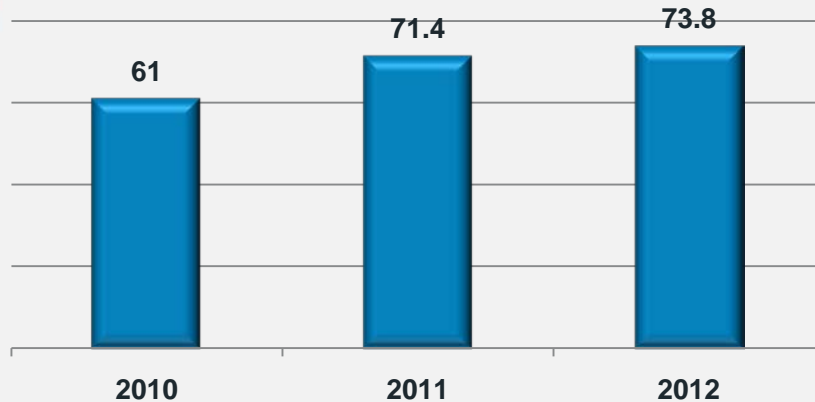


Divisional outlook

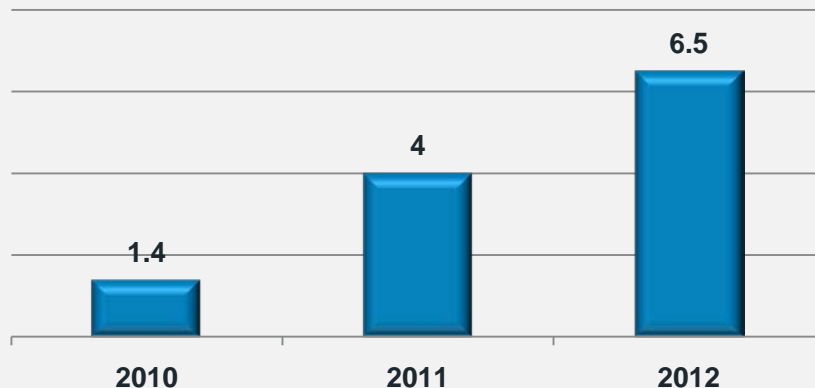
- Continuing to make significant inroads into growing and higher-margin sectors
- Leverage engineering and design capabilities
- Expand technical capabilities into specialist HVAC areas in telecommunications
- Target growth in Telecommunications
- Maintain focus on operational efficiencies

Divisional performance

Revenue A\$m

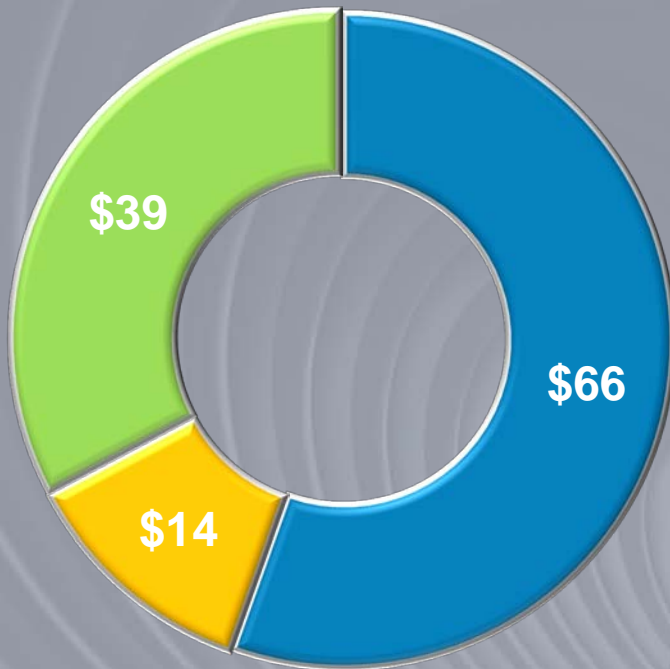


EBIT A\$m



- Resolve FM has delivered an outstanding result
- Of 14 contract renewals, in the last 24 months 80% have been retained
- Resolve FM's Customer Service and Quality has driven stable sales revenue and strong EBIT
- High volume in custodial sectors underpins performance
- Developed strong capability in the area of Technical Solutions

Order book by sector (A\$m)



■ Custodial ■ Commercial
■ Government

Divisional outlook

- Continued strong order book underpins 2013 trading
- Key projects contributing to the order book are:
 - Serco Detention Centres
 - NSW DIAC Refugee Services
 - VIC Housing
 - Gorgon Project
- Outlook includes several Technical Solution opportunities

1. Key highlights
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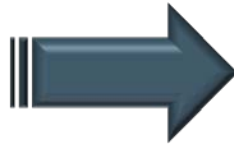
Strategy

1. Build strong health & safety culture



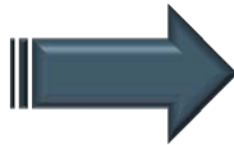
“**Safety All Ways**” is the foundation to everything we do and the commitment we have to the highest standards of **health, safety** and **environmental performance**.

2. Focus on growth sectors



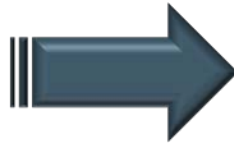
Growth in rail, power, health, resources and AgriBusiness sectors **targeting higher margin integrated engineering** services.

3. Recurring & alliance-style revenue



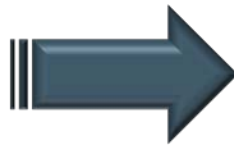
Continuing **strong earnings** from partnerships, alliance-style and cost-reimbursable contracts.

4. Technology Leaders



Expand, **people, process** and **technologies** to deliver true **end to end solutions** – directly or through technology partners.

5. Leverage existing customer network



Greater penetration within existing customer base by broadening our service offering.



Outlook

- Norfolk will continue to deliver consistent and sustainable performance
- \$740 million of FY2013 revenue underpinned by contracts, work orders and ongoing service commitments (FY2012 \$685 million)
- Targeting Normalised NPAT growth of at least 10%
- Continue to grow order book in target market sectors
- Dividend policy to be maintained

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