



**Annual General  
Meeting  
25 July 2012**

**NORFOLK**   
INTEGRATED ENGINEERING

ASX: NFK

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# Agenda

1. Chairman's Address
2. Managing Director's Address
3. Formal Business
  - Consideration of reports
  - Questions and comments
  - Items for approval
4. Close of Meeting
5. Refreshments

# Chairman's Address

Rod Keller



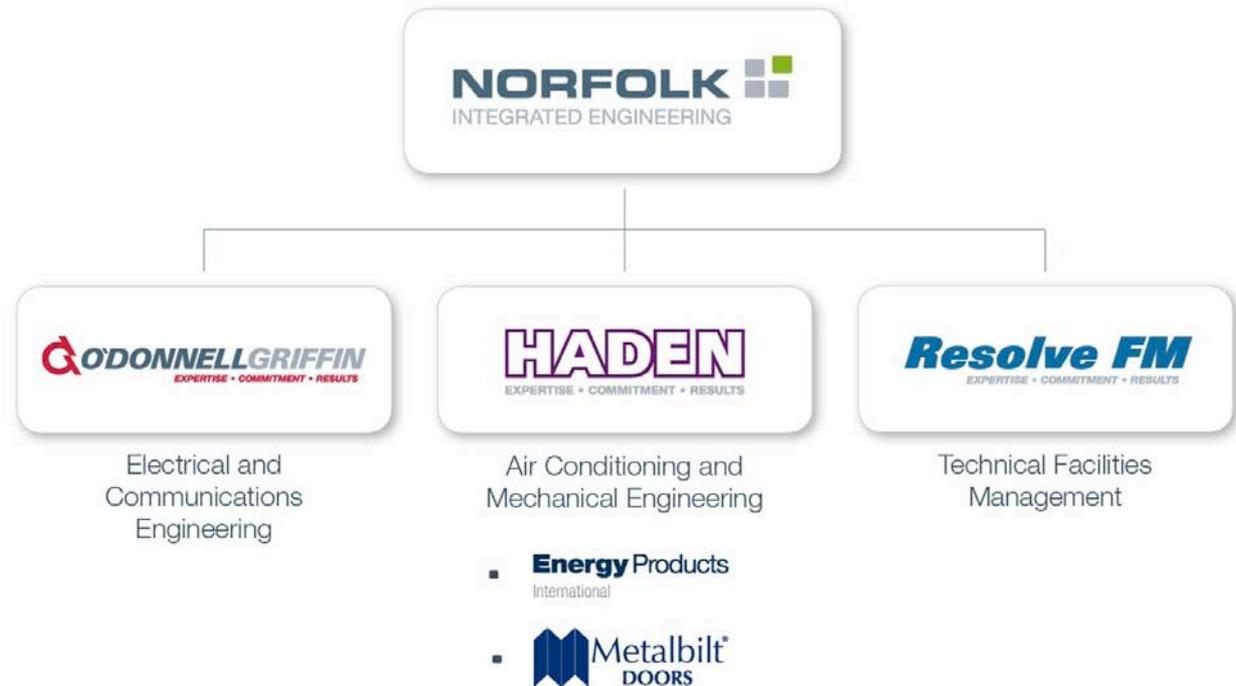
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# Integrated engineering

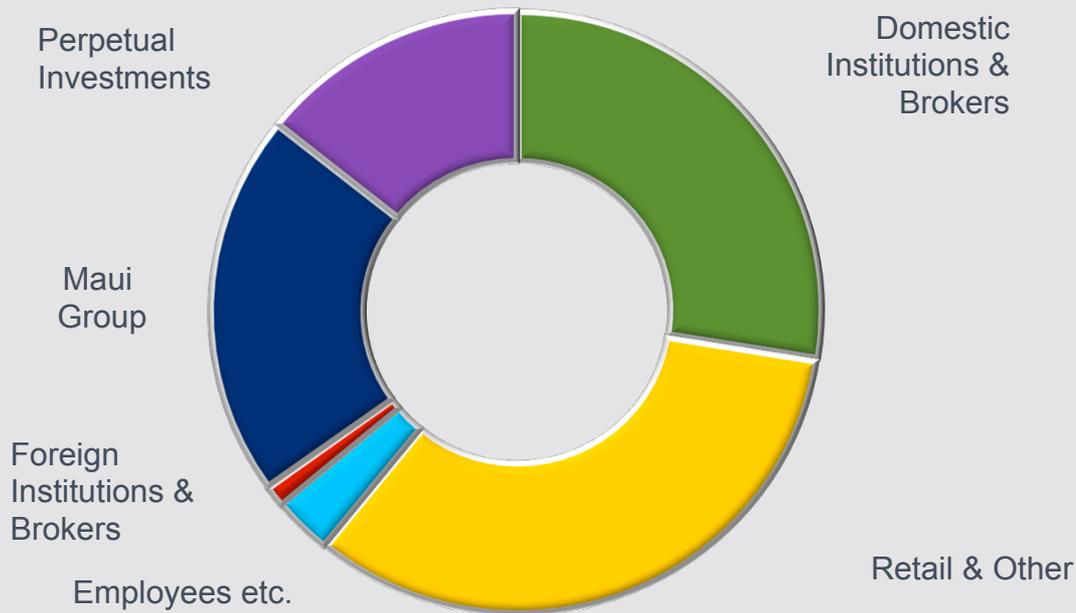
Norfolk integrates the engineering skills and expertise of its member companies to deliver:

- 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): \$170,000,000**

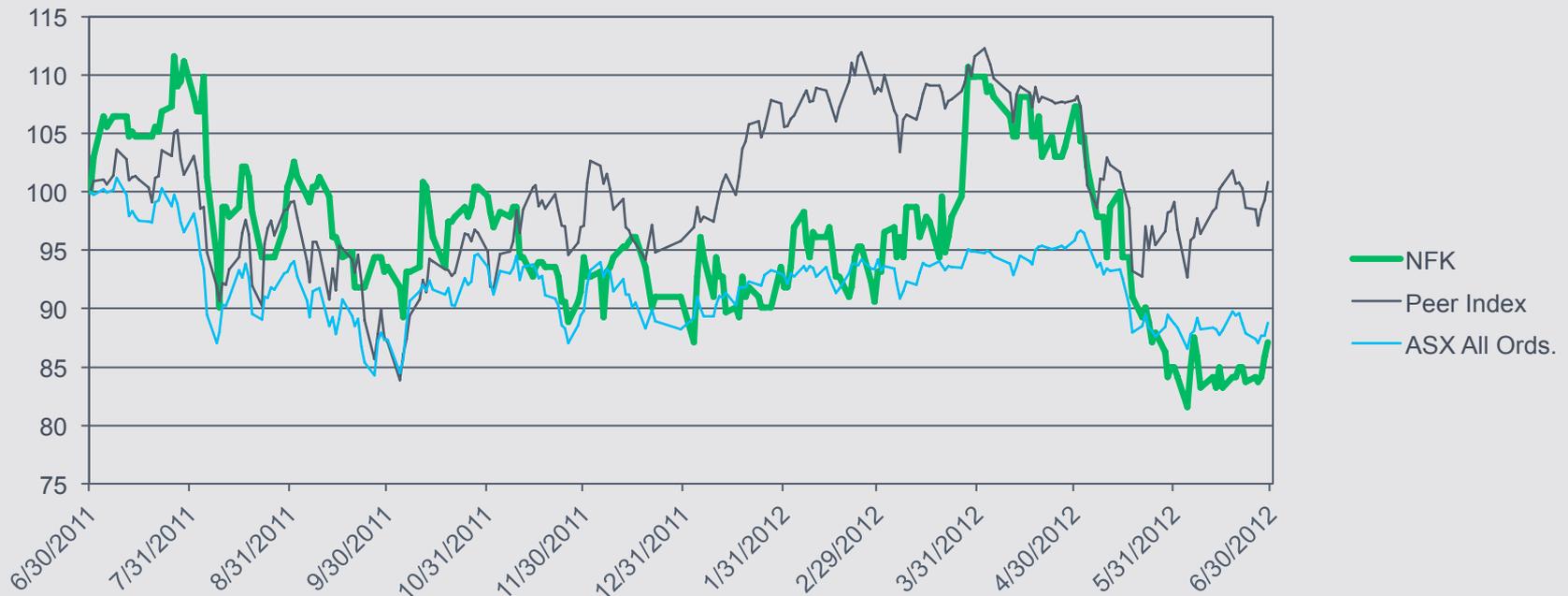
**Shares on issue**

**158,890,730**

# Share price review

NFK Vs. Peers<sup>(1)</sup> Vs. ASX All Ords. (rebased to 100)

30 June 2011 – 30 June 2012



(1) Peer Index includes: MND, DOW, RCR, UGL, HST

# Key highlights

## Financial highlights

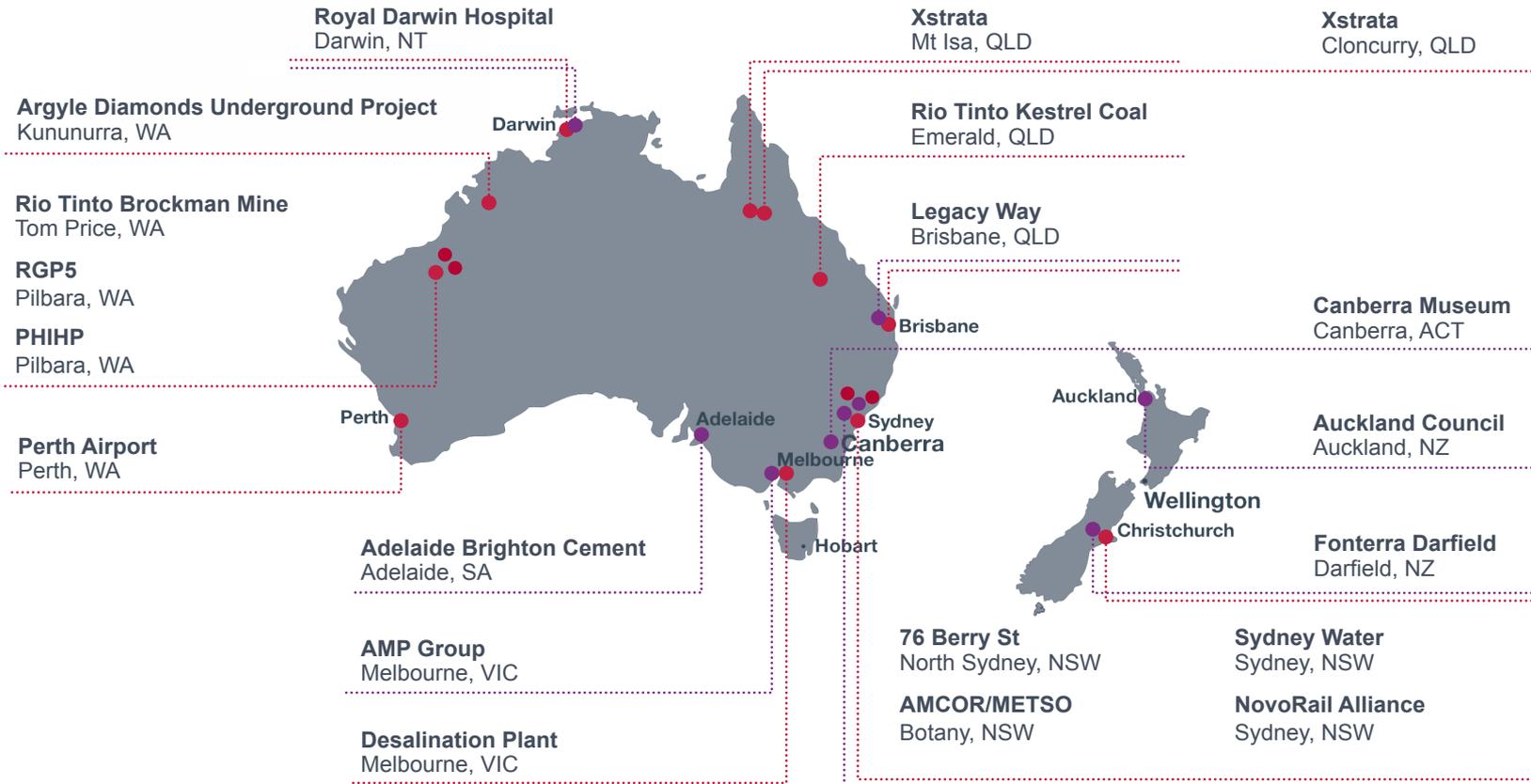
Revenue	A\$m	901.7
NPAT	A\$m	36.8
Normalised NPAT	A\$m	22.1
EBIT <sup>(1)</sup>	A\$m	30.8
EPS (cents)	cps	23.2
Order Book	A\$m	1,051.0

- 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 <sup>(1)</sup>
- 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

(1) Excluding Indian goodwill impairment

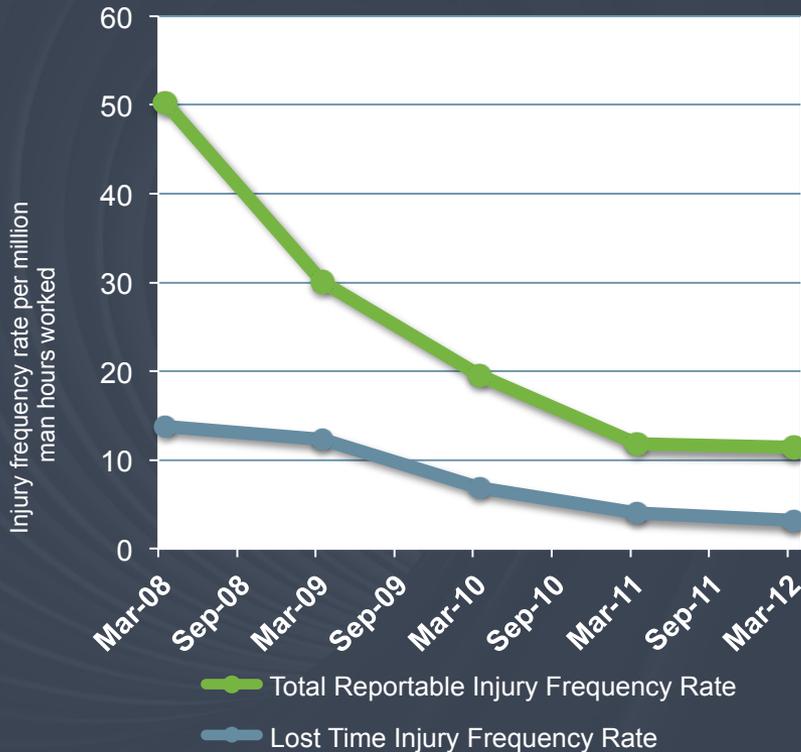
# Key Projects

- Haden Engineering Projects
- O'Donnell Griffin Projects





# Safety focus

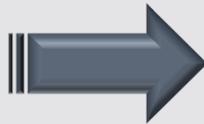


Ongoing commitment to safety resulting in improved safety level:

- 20% reduction in lost time injury frequency rate (LTIFR)
- 56 locations recording zero total reportable injuries
- Improved safety and environment management system
- Introduction of lead performance indicators

# 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



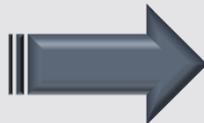
Continuing **strong earnings** from partnerships, alliance-style and cost-reimbursable contracts.

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.

# Group and Divisional Review

Managing Director's Address  
Glenn Wallace



# Financial performance

		2012	2011 <sup>(1)</sup>	Change
Revenue	A\$m	901.7	915.7	(1.5%)
EBITDA	A\$m	35.6	40.9	(13%)
EBIT <sup>(2)</sup>	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 <sup>(3)</sup>	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

(3) Excluding one-off tax benefits and including the Indian goodwill impairment

# Cash flow summary

		2012	2011 <sup>(1)</sup>
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 and dividend policy

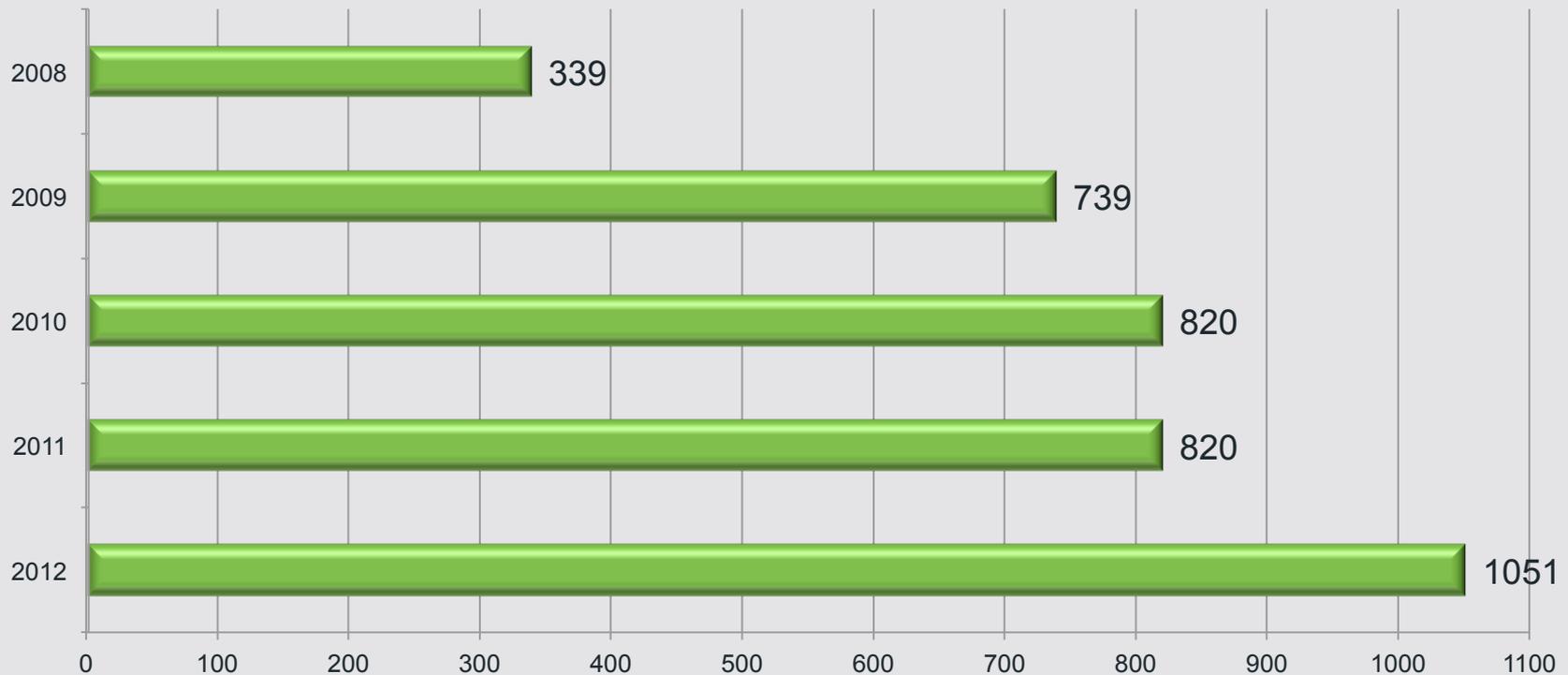
- The Group remains debt free
- New three-year \$150 million bank facilities agreed with existing financiers
- Additional working capital and guarantee limits to facilitate growth
- Unfranked dividend of 2 cents per share declared

Balance Sheet		2012	2011 <sup>(1)</sup>
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

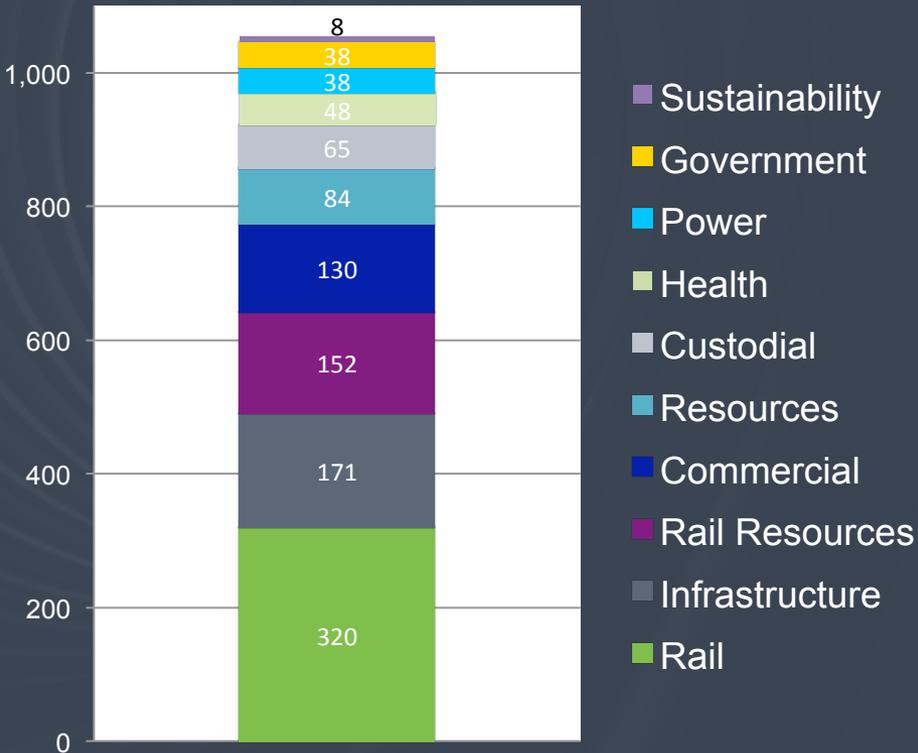
# Order book overview

Order book growth (A\$m)



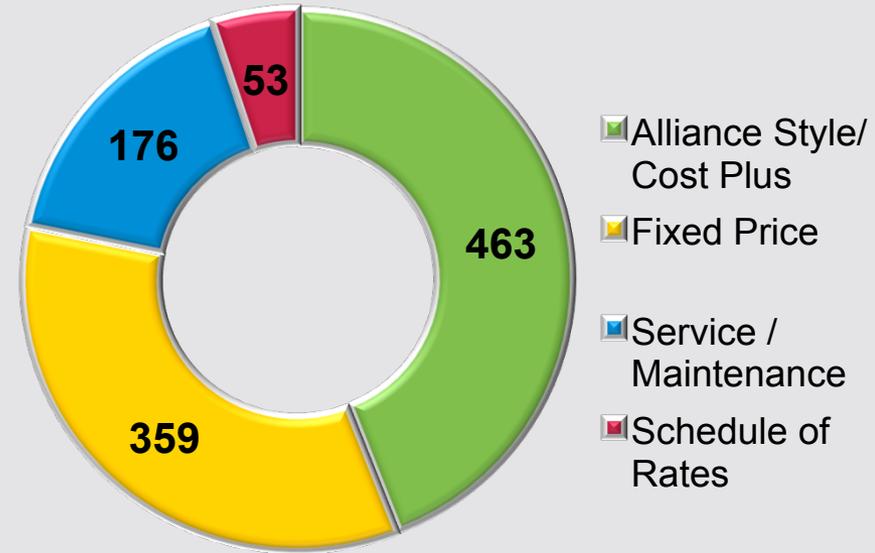
# Order book detail

## Order book by sector (A\$m)



Total: \$1051 m

## Order book by contract type (A\$m)



# Divisional performance



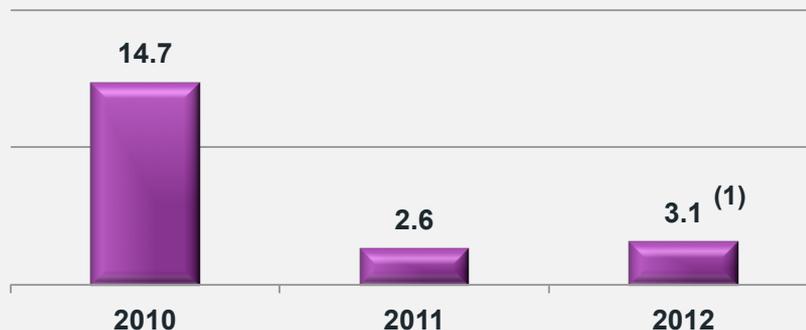
- Another strong performance
- FY2012 revenue remains at elevated FY2011 levels
- Some impact from project delays and adverse weather
- 34% growth in order book
- Continued growth in target market sectors

# Divisional performance

Revenue A\$m



EBIT A\$m

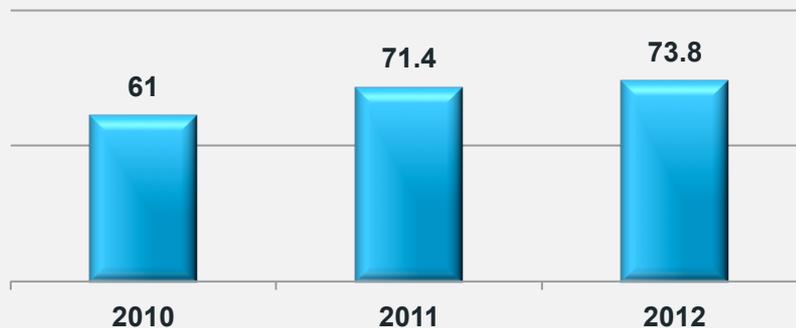


(1) Excludes Indian goodwill impairment

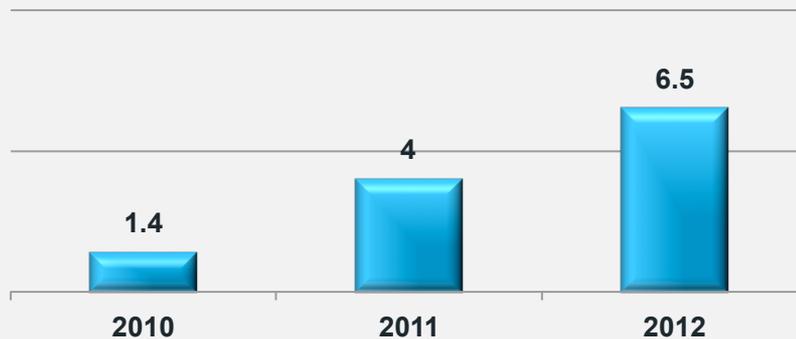
- Strong second half performance with momentum building through focus on growth sectors:
  - Sustainability
  - Industrial/resources
  - Health
- Successfully reduced overheads and direct labour costs
- 28% growth in order book

# 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



# 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% for FY2013
- Continue to grow order book in target market sectors

# Formal Business

Rod Keller



# Consideration of Reports

# Questions and Comments

# Items for Approval

# Re-election of Paul Chrystall



That Paul Chrystall, who retires in accordance with clause 6.1 (d) of the Company's Constitution and Listing Rule 14.4, and having offered himself for re-election and being eligible, is hereby re-elected as a Director of the Company

## PROXY VOTES:

FOR	91,469,315
AGAINST	5,679,595
ABSTAIN	36,634
OPEN	112,509

# Remuneration Report

That the Company's Remuneration Report for the financial year ended 31 March 2012 (set out in the Directors' Report), be adopted.

PROXY VOTES:	
FOR	64,105,595
AGAINST	31,445,055
ABSTAIN	647,192
OPEN	105,841

# Close of Meeting

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