



**COFFEY INTERNATIONAL LIMITED**  
**Results - 12 months ended 30 June 2009**

**19 August 2009**



# Agenda

- Key highlights
- Financial performance
- Operational review
- Strategy
- Outlook
- Q&A

# Overview

Roger Olds, Managing Director

# Business Overview

- Diversification strategy demonstrated value with strong performance from International Development and other offshore businesses
- Platform for Growth unified our people globally and is now embedded as the transformation strategy in our 3 year strategic plan
- New Executive Team formed and worked with the Board to develop a new 3 year strategic plan which commenced in July 2009
- 4 small bolt-on acquisitions
- Global Financial Crisis (GFC) had an impact, but limited to 3<sup>rd</sup> quarter
- Response to GFC cut \$10m per annum costs from the business to date

# Results Overview

- Total revenue up 44.8% to \$808.7m
- Fee revenue up 35.5% to \$510.4m
- EBITDA\* up 12.5% to \$56.0m
- NPAT up 7.3% to \$16.4m
- EPS up 4.3% to 14.5 cents per share
- Improvement in working capital management from 76 days to 49 days
- Fully franked final dividend of 4.5 cents per share
- Total annual fully franked dividend of 13.0 cents per share
- Cash and debt funding capacity of \$107m available to support growth plans

\* Pre vendor earn-out & share-based payment expense ("pre VEO & SBP")

# Financial Performance

Urs Meyerhans, Director of Finance and Chief Financial Officer

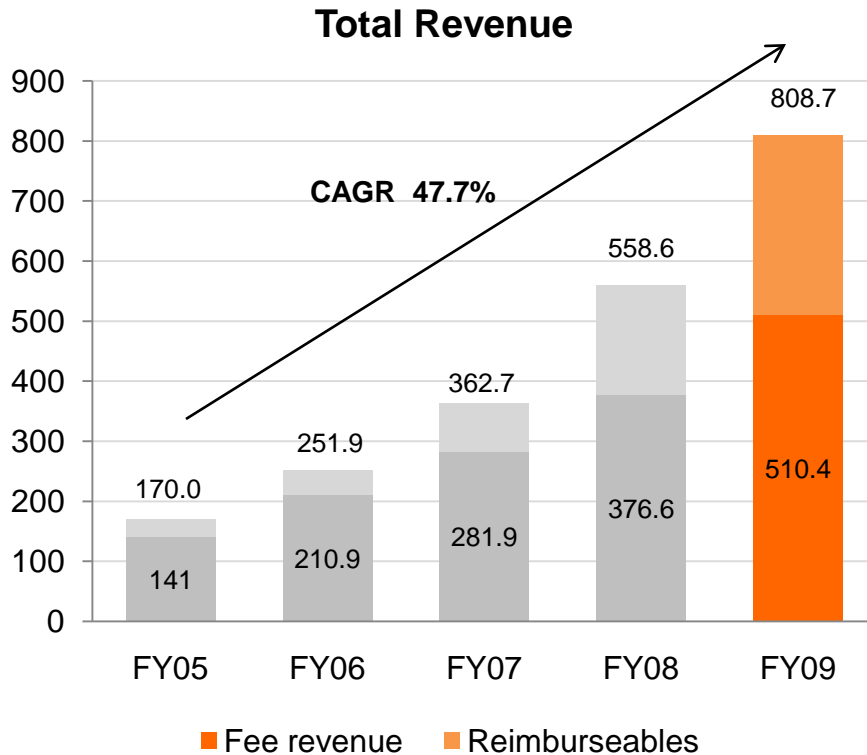
# Financial Management Overview

- Year of 2 Halves - Apart from Q3 the profit result was strong
- Strong cash flow despite challenges due to GFC impact on some clients
- Balance sheet remains strong
- Gearing ratio at 32.7% with which we are comfortable
- Bank facility to 2012 with headroom to support growth
- Sustainable cost efficiencies identified & implemented
  - ~\$10m per annum of labour and discretionary cost savings to date
- One-off costs of \$2m in 2<sup>nd</sup> half
- Doubtful debt provision increased by \$2m

# Financial Results Overview

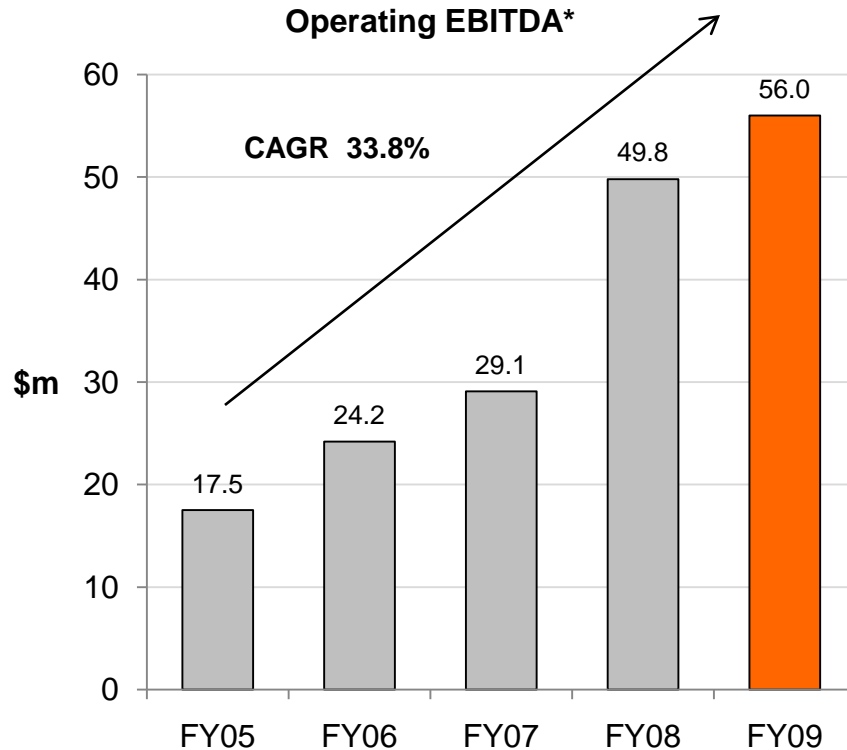
12 months to 30 June (\$m)	2009	2008	Change
Revenue from continuing operations	808.7	558.6	44.8%
<b>Fee revenue</b>	<b>510.4</b>	<b>376.6</b>	<b>35.5%</b>
<b>Operating EBITDA (pre VEO &amp; SBP)</b>	<b>56.0</b>	<b>49.8</b>	<b>12.5%</b>
Depreciation	8.6	6.5	31.1%
Amortisation	3.7	3.3	10.8%
VEO & SBP	2.6	4.9	(45.6%)
<b>EBIT</b>	<b>41.1</b>	<b>35.0</b>	<b>17.2%</b>
Net interest	12.1	7.9	53.2%
<b>PBT</b>	<b>29.0</b>	<b>27.2</b>	<b>6.5%</b>
Income tax expense	11.8	11.3	4.7%
Minority interests	0.8	0.6	20.7%
<b>NPAT</b>	<b>16.4</b>	<b>15.3</b>	<b>7.3%</b>
<b>Earnings per share (basic)</b>	<b>14.5</b>	<b>13.9</b>	<b>4.3%</b>
<b>Total Dividend per share</b>	<b>13.0</b>	<b>16.0</b>	<b>(18.8%)</b>

# Revenue up 44.8% to \$808.7m



- Continued growth in revenue
- Total revenue of \$808.7m growing by 44.8%
- Strong fee growth of 35.5%
- 4 year CAGR of 47.7%

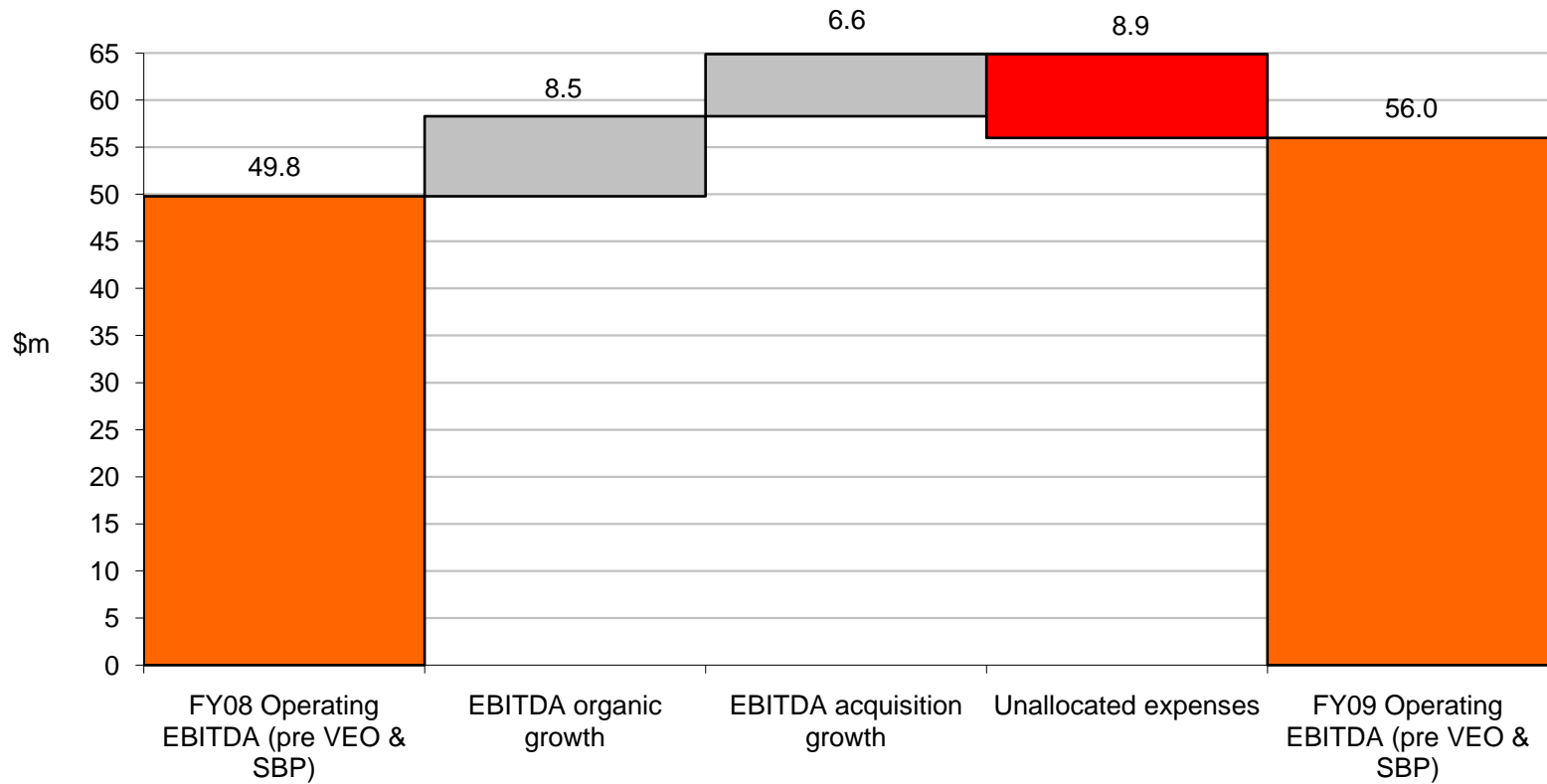
# Operating EBITDA\* up 12.5% to \$56.0m



- 12.5% Operating EBITDA\* growth
  - 7.0% organic growth
  - 5.5% acquisition growth
- 4 year CAGR of 33.8%
- Performance in line with market guidance

\* Pre VEO & SBP

# Change in Operating EBITDA\*



\* Pre VEO & SBP

# Balance Sheet

(\$m)	June 2009	June 2008
Total Cash (including non-current cash deposits)	52.3	52.6
USD denominated debt (A\$ equivalent)	31.3	26.3
CAD denominated debt (A\$ equivalent)	9.7	9.1
GBP denominated debt (A\$ equivalent)	2.3	-
AUD\$ denominated debt	100.0	106.6
Lease liability & bank overdraft	1.8	2.5
Total Debt	145.1	144.5
Net Debt	92.8	91.9
Total facilities	209.0	200.0
Equity	191.1	196.1
Net Debt to (Equity + Net Debt)	32.7%	31.9%
Interest Cover (Operating EBITDA pre VEO & SBP)	4.6	6.3

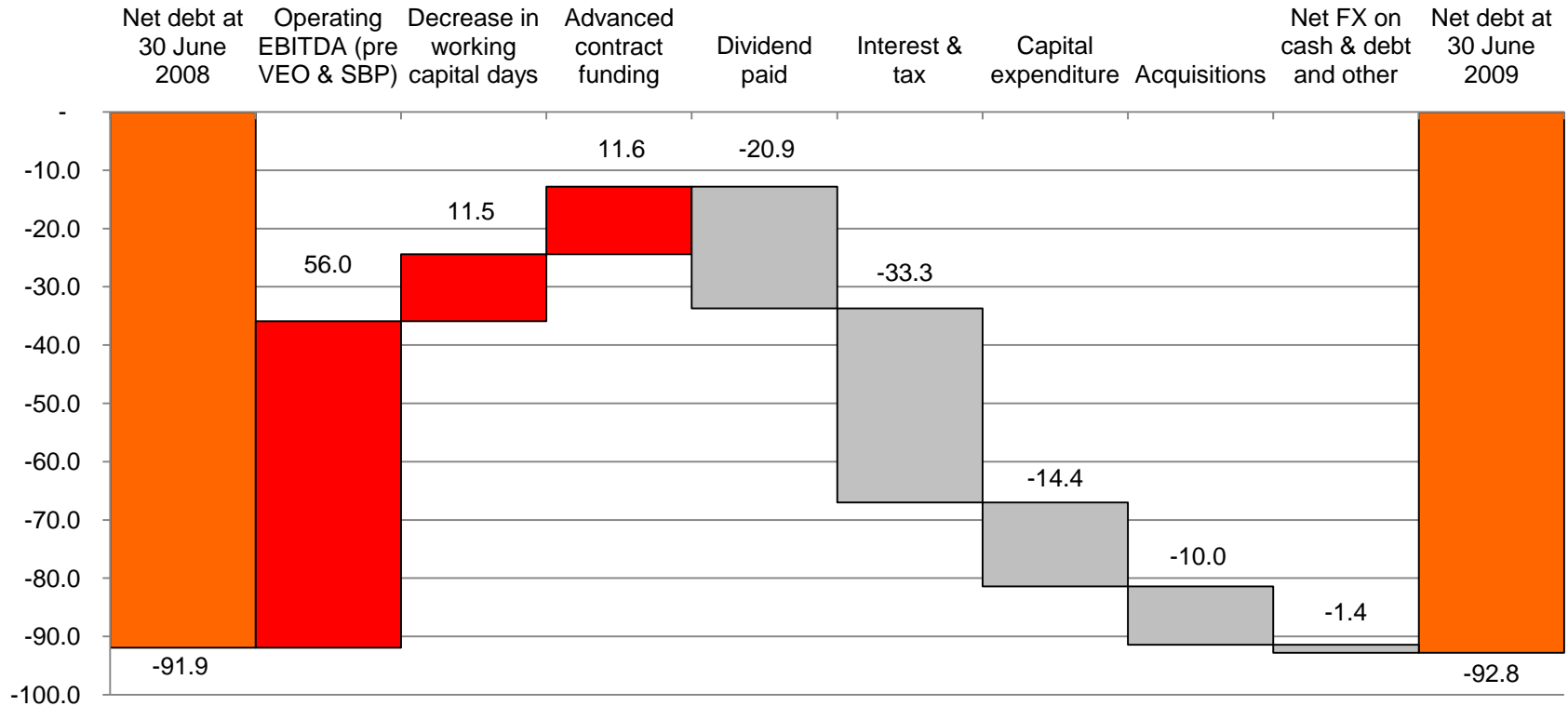
- Net debt remaining static despite turnover growth
- Cash and debt capacity of \$107m available
- Gearing ratio at 32.7% with which we are comfortable
- Debt maturity in February 2012

# Cash Management

12 months to 30 June (\$m)	2009	2008	change
Cash flow from operating activities:			
Operating cash flow	67.5	59.2	10.5
Interest and Tax	(33.3)	(21.0)	13.5
<b>Net cash inflow from operating activities</b>	<b>34.2</b>	<b>38.1</b>	<b>(2.8)</b>
Cash flow from investing activities:			
Acquisitions	(10.0)	(54.0)	(43.2)
Property, plant & equipment / other	(14.4)	(11.8)	1.2
<b>Net cash (outflow) from investing activities</b>	<b>(24.5)</b>	<b>(65.8)</b>	<b>41.3</b>
Cash flow from financing activities:			
Share issues	0.2	1.2	(1.0)
Dividends	(20.9)	(15.3)	5.6
Net change in debt	(3.7)	81.6	87.5
<b>Net cash inflow (outflow) from financing activities</b>	<b>(24.4)</b>	<b>67.6</b>	<b>93.1</b>
<b>Net increase (decrease) in cash held</b>	<b>(14.8)</b>	<b>39.9</b>	<b>54.7</b>

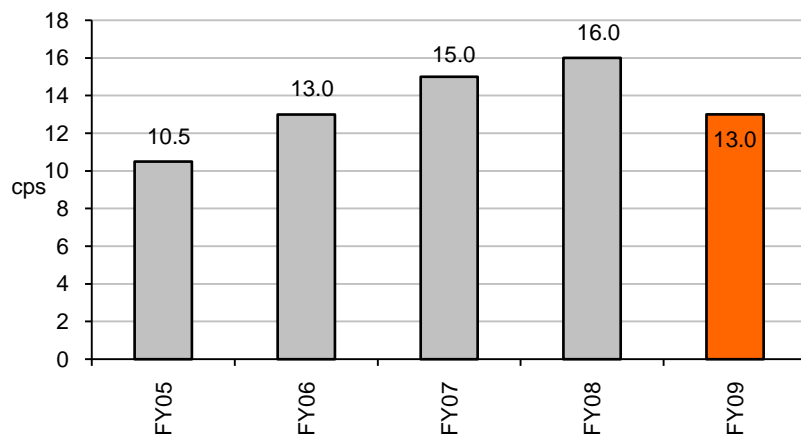
- Strong operating cash flow of \$67.5m
- Focus on working capital management pays off
  - Improved from 76 days to 49 days
  - \$11.5m improvement
- Reduction in cash flow from investing activities
  - Minimum Capex required
  - Focusing on organic growth

# Change in Net Debt



# Dividends

Total Dividends per share



- Final fully franked dividend of 4.5cps
- Total fully franked dividend for year of 13cps
- Dividend Reinvestment Plan reinstated with 5% discount

	FY05	FY06	FY07	FY08	FY09
Earnings per share (basic)*	17.3cps	19.0cps	16.0ps	20.8cps	20.1cps
Dividend per share (total)	10.5cps	13.0cps	15.0cps	16.0cps	13.0cps
Total dividend (\$m)	9.0	9.9	16.5	19.1	16.0
Dividend payout ratio (basic)	60.7%	68.4%	93.7%	76.9%	64.7%

\* Based on earnings per share after tax (pre VEO, SBP and amortisation)

## Summary – Financial Performance

- Revenue, Operating EBITDA and EPS all growing in challenging market conditions
- Balance sheet remains solid with conservative gearing
- Fully franked final dividend of 4.5cps – total of 13cps
- Good working capital management in tough conditions
- Cash and debt capacity of \$107m to fund growth plans

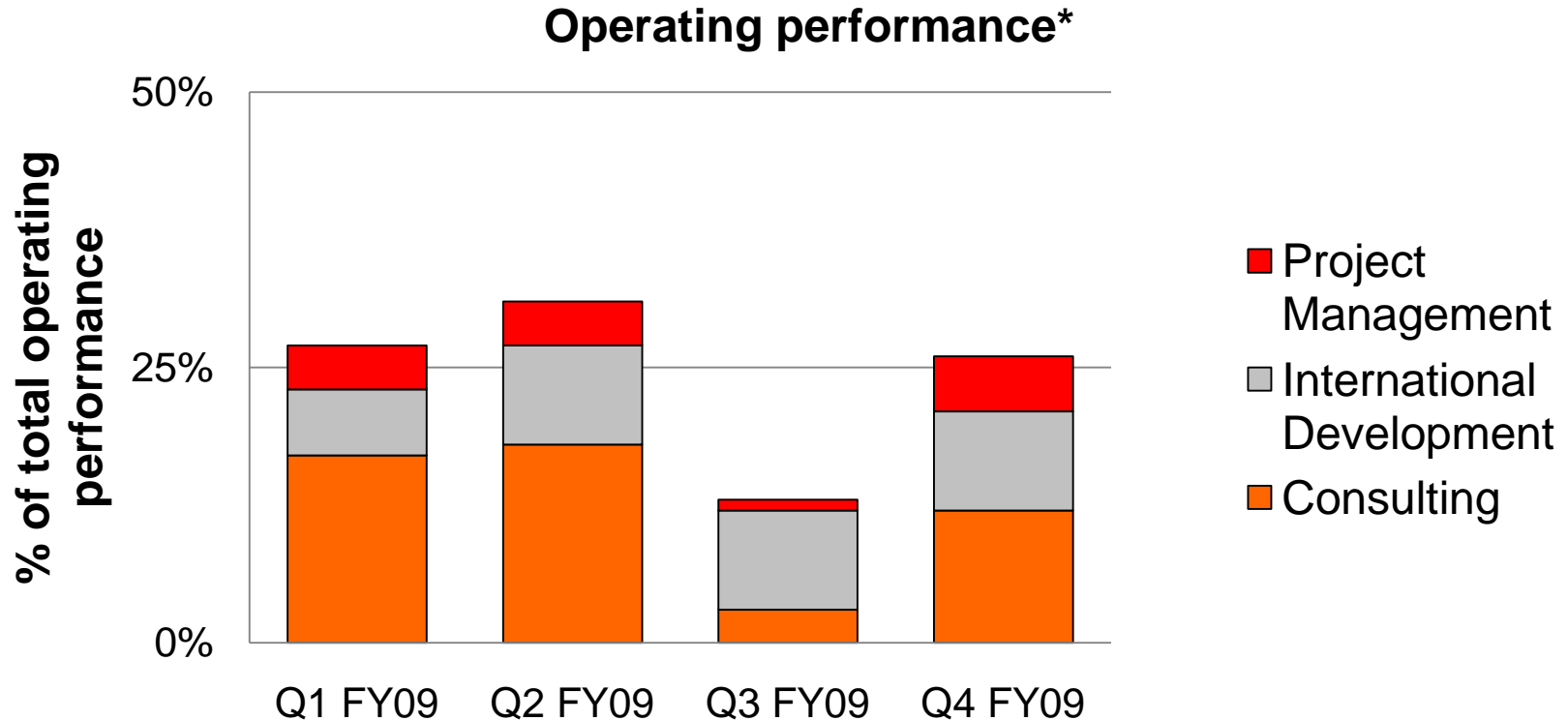
# Operational Review

Roger Olds, Managing Director

# Divisional Analysis

12 months to 30 June (\$m)	Operating EBITDA (pre vendor earn-out & vendor share based payments)			Fee Revenue		Fee Margin	
	2009	2008	Change	2009	2008	2009	2008
Consulting	44.2	48.7	(9.2%)	283.2	251.3	15.6%	19.4%
International Development	25.2	8.3	203.6%	151.9	65.5	16.6%	12.7%
Project Management	13.4	10.7	25.2%	75.2	59.8	17.8%	17.9%
Unallocated	(26.8)	(18.0)	48.9%	-	-	-	-
<b>Total</b>	<b>56.0</b>	<b>49.8</b>	<b>12.5%</b>	<b>510.4</b>	<b>376.6</b>	<b>11.0%</b>	<b>13.2%</b>

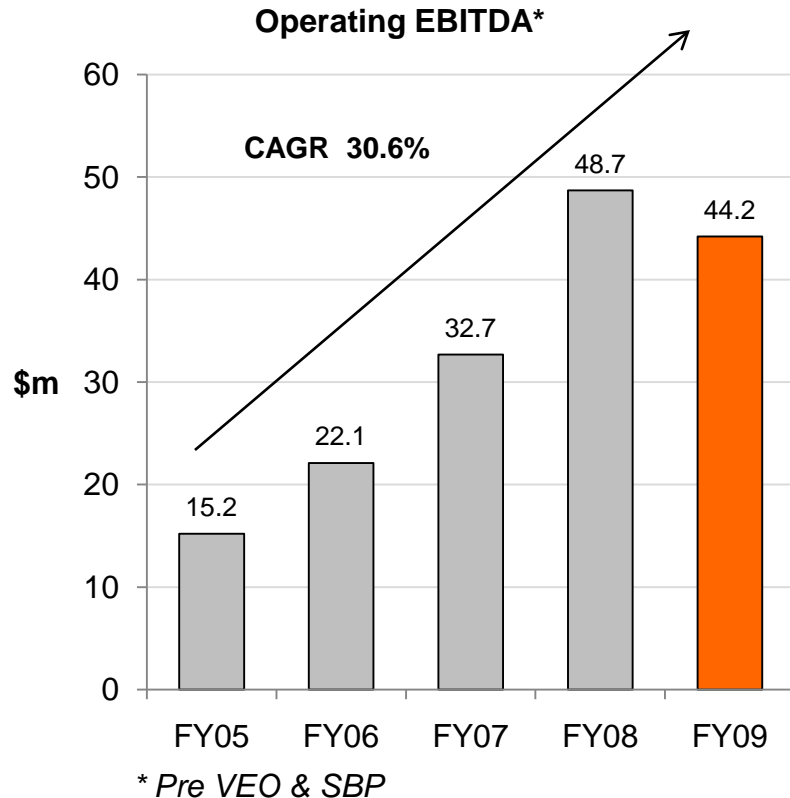
# The Impact of the GFC



\* Based on management accounts

# Consulting Overview

Consulting Operating EBITDA\* down 9.2% to \$44.2m



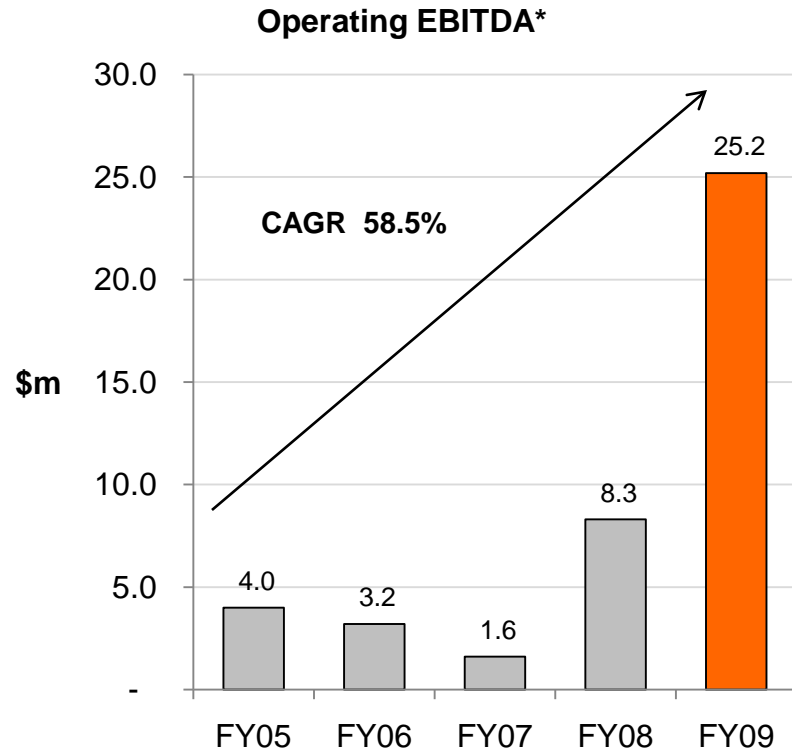
- Some sectors declined significantly due to the GFC
  - Commercial Property and Mining sectors
  - Infrastructure project delays / postponement
- Slump due to weak demand in Q3 rebounding in Q4 as government and private sector infrastructure projects came on-line
- Redundancies during March / April 2009
- Two small bolt-on acquisitions

# Selected Projects in Consulting

- LNG projects - Chevron, Inpex, Shell, Exxon Mobil (Aust. & PNG)
- Lihir Gold Kapit coffer dam (PNG)
- Tarcutta and Ballina alliances (NSW)
- Spadina Toronto rail tunnel (Canada)
- Sunshine Coast University Hospital (QLD)
- Department of Defence asbestos risk management (Aust.)
- Mobil assessment and remediation work (Aust.)
- Metro replacement project, Vic Department of Transport (Vic)

# International Development Overview

International Development Operating EBITDA\* up 203.6% to \$25.2m



- Substantial increase in contribution from division
- Increased government spending on international development
- Significant contribution from USA
- Increased contribution from all regions
- One acquisition in Europe

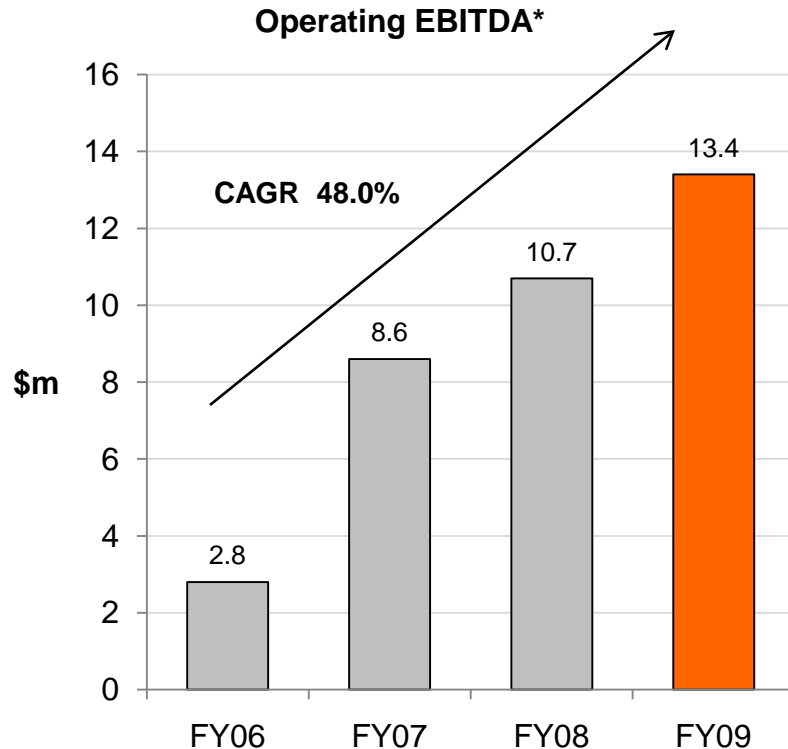
\* Pre VEO & SBP

# Selected Projects in International Development

- USAID Mexico Rule of Law III: A five-year project to support legal reforms in Mexico
- SEDIA: AusAID project to support education sector development in Aceh. The project is the second phase of the Education rehabilitation program that Coffey International Development successfully ran from 2005-2008
- AIPMNH: An AusAID project to improve maternal neonatal health in Indonesia
- MPRLP: DFID project to improve rural livelihoods in India
- IFC: (part of World Bank Group) projects to stimulate SME growth in Kenya, Mozambique, Nigeria and Philippines
- SANG: specialist training on behalf of the Saudi Arabian National Guard (SANG)

# Project Management Overview

Project Management Operating EBITDA\* up 25.2% to \$13.4m



- Strong performance in challenging market
- Geographic diversity paying off
- Suffered Q3 downturn and Q4 rebound as a result of Australian Government spending
- Managing downturn in Dubai well
- One acquisition in Africa

\* Pre VEO & SBP

# Selected Projects in Project Management

- Marina Bay Sands Integrated Resort (Singapore)
- Vodacom Techno Centre and Foreshore (South Africa)
- Africa Standard Bank IT centre (South Africa)
- Christchurch International Airport integrated terminal project (NZ)
- Britomart Precinct commercial development (NZ)
- Abu Dhabi Center for Housing and Service Facilities Development (UAE)
- Umm Al Quwain Hospital for the Ministry of Public Works (UAE)
- AIR6000 project for Department of Defence (Aust.)
- Building the Education Revolution projects (WA, QLD, Vic, NT)
- NSW Housing Stimulus packages (NSW)

# Strategy

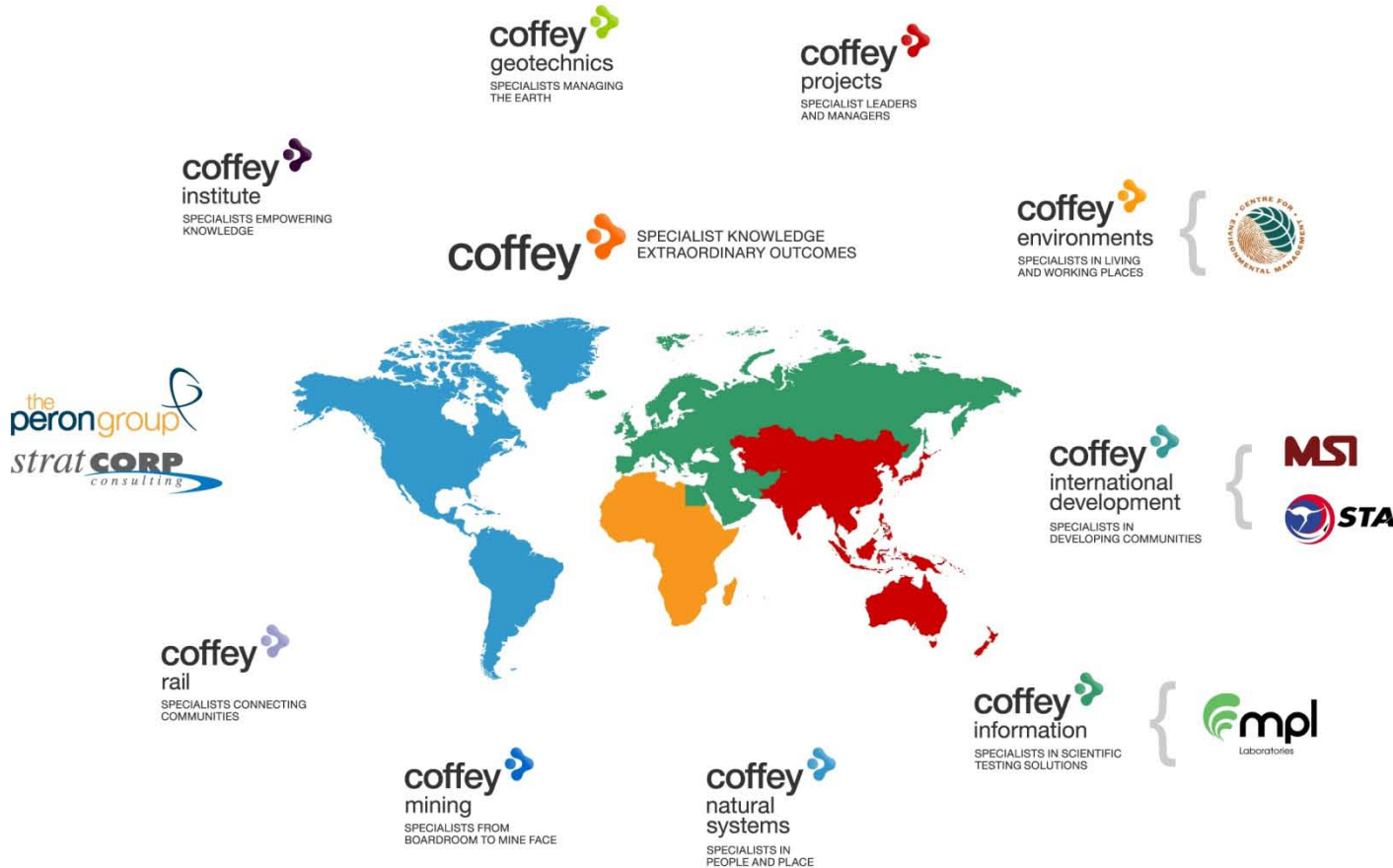
Roger Olds

Managing Director

# Strategic Imperatives

- Be a unified Coffey team executing the strategy
- Develop a culture of 'One Coffey'
- Be agile, innovative and aspirational
- Grow organically
- Utilise existing equity and debt capacity
- Create more efficiency to enhance profitability
- Deliver ongoing improvements in working capital and cash flow

# Regional and Sector Service Delivery



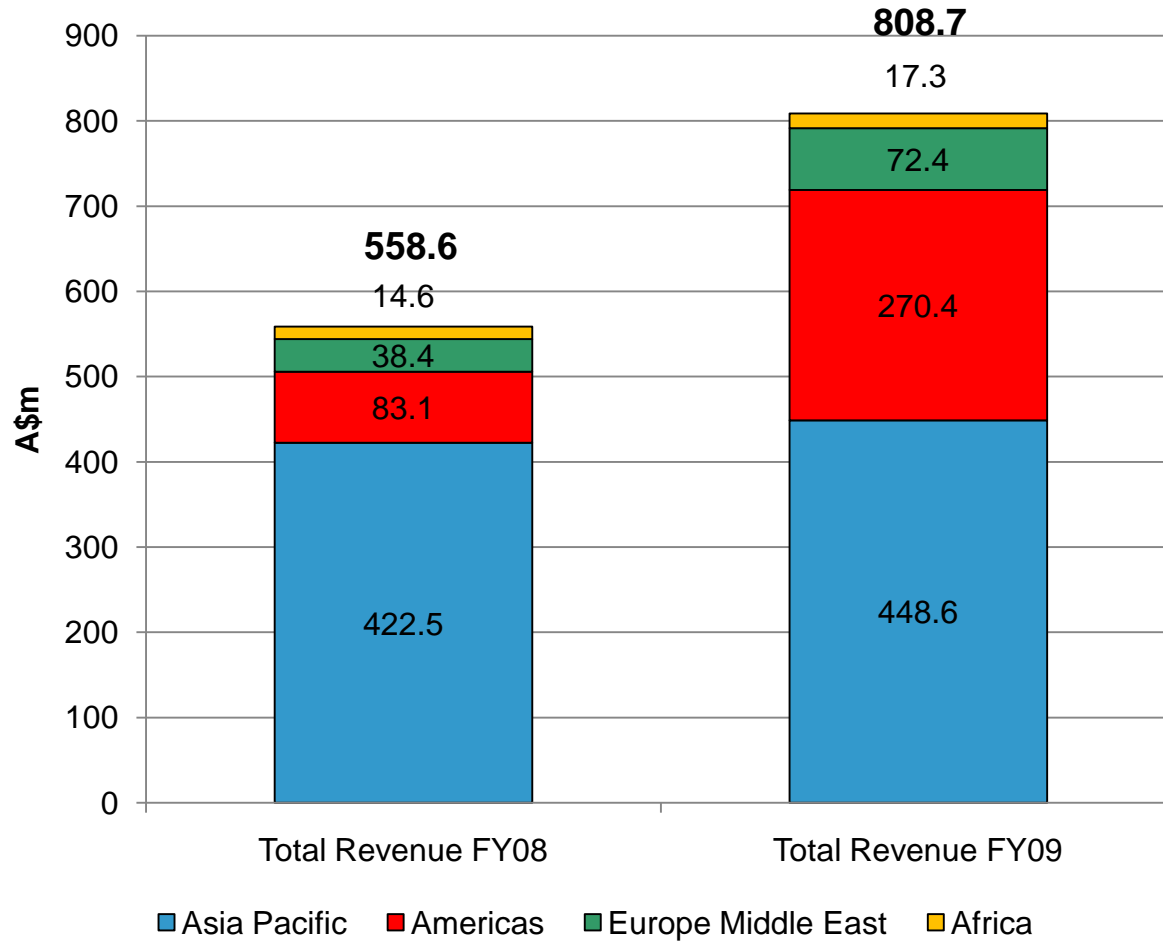
**Sectors**

- Infrastructure
- Resources
- Government
- Property

**50**  
YEARS  
AN EXTRAORDINARY JOURNEY

**coffey** SPECIALIST KNOWLEDGE EXTRAORDINARY OUTCOMES

# Global Revenues



# Outlook

Roger Olds

Managing Director

# Outlook on Business Environment

- Economy showing signs of recovery, speed is still unclear and caution still prevalent
- International Development very strong position globally
- Infrastructure work progressing
- Government spending will go some way to filling the gap of weak private sector demand – focus on gaining an increasing share of government spending
- Energy sector is showing strong signs (e.g. LNG)

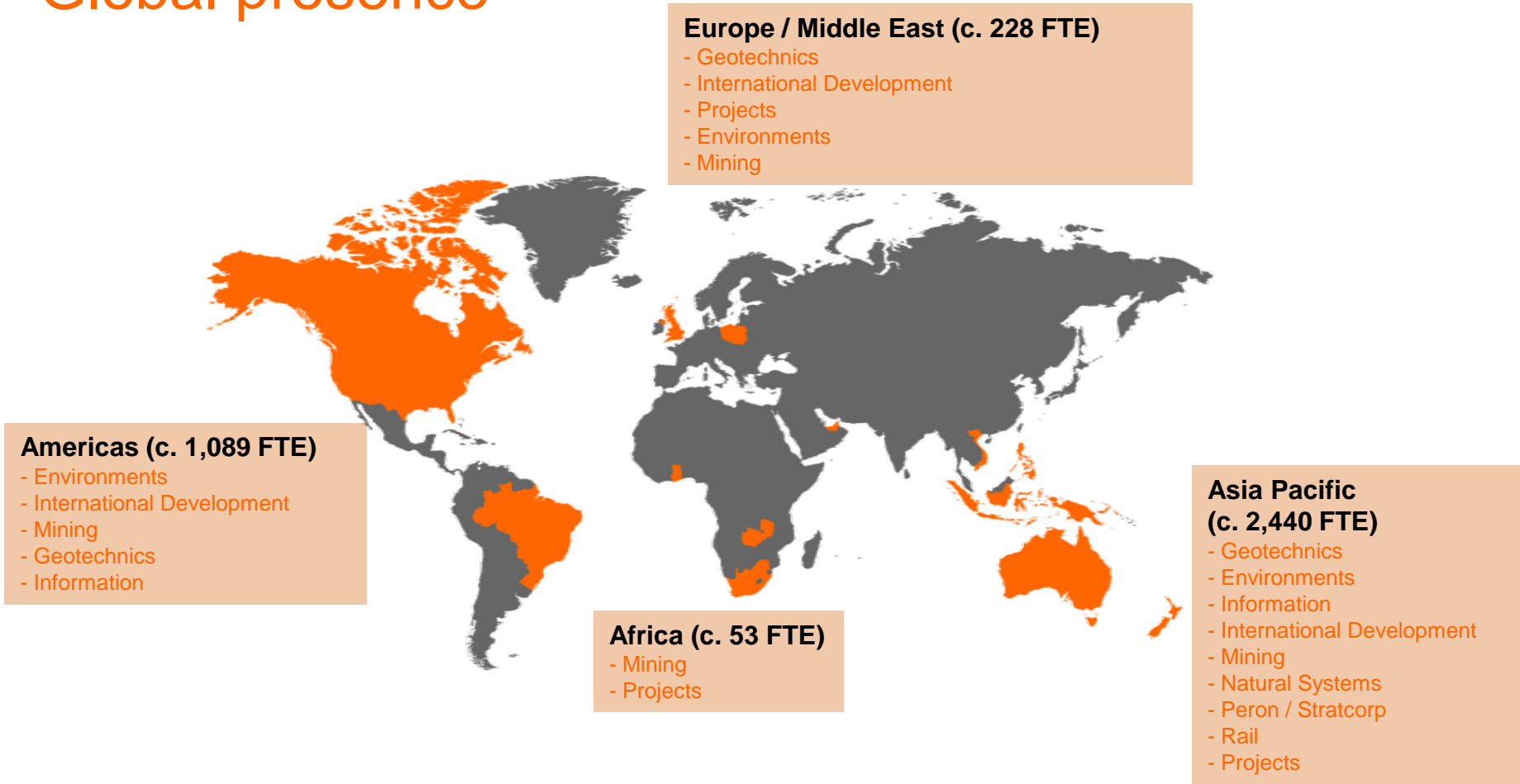
## Our Response

- 3 year plan will be the next phase to launch Global Coffey
- Build business from current geographic footprint with increased regional presence and local support
- Focus on bringing efficiencies from what we have built so far
- Fund growth from current capital
- Additional \$10m per annum savings expected to be created in FY2010
- Expect strong annual double digit growth in EPS over coming 3 years

# Questions and answers

# Appendix

# Global presence



FTE = full-time equivalents

## High level balance sheet

(A\$m)	As at 30 June 2009	As at 30 June 2008
<i>Cash &amp; equivalents</i>	40.6	52.6
<i>Trade &amp; other receivables</i>	119.3	128.7
Current assets	196.3	203.4
<i>Intangible assets</i>	216.5	205.0
Non-current assets	273.1	240.7
<b>Total assets</b>	<b>469.4</b>	<b>444.1</b>
<i>Trade and other payables</i>	61.8	54.9
<i>Borrowings</i>	1.1	1.0
Current liabilities	109.2	90.0
<i>Borrowings</i>	143.4	144.0
Non-current liabilities	169.1	158.0
<b>Total liabilities</b>	<b>278.3</b>	<b>248.0</b>
<b>Net assets</b>	<b>191.1</b>	<b>196.1</b>
<b>Total equity</b>	<b>191.1</b>	<b>196.1</b>

## A snapshot of Coffey over past 5 years

Metrics (\$m) unless otherwise stated	FY05	FY06	FY07	FY08	FY09
Revenue	170.0	251.9	362.7	558.6	808.7
Operating EBITDA (pre VEO & SBP)	17.5	24.2	29.1	49.8	56.0
Operating EBITA (pre VEO & SBP)	16.3	22.4	25.4	43.2	47.4
EBIT	15.4	20.6	18.4	35.0	41.1
NPAT (pre VEO & SBP)	11.2	13.4	14.4	22.9	22.8
NPAT (reported)	10.2	11.6	8.4	15.3	16.4
Operating EBITDA (pre VEO & SBP) (revenue) Margin	10.3%	9.6%	8.0%	8.9%	6.9%
EPS (basic) (NPAT reported)	17.3	19.0	16.0	20.8	20.1
Net Debt	3.1	54.8	46.1	91.9	92.8
Equity	34.2	67.0	177.6	196.1	191.1
Net debt/equity	9.2%	81.8%	26.0%	46.9%	48.6%
Net debt/capital	8.4%	45.0%	20.6%	31.9%	32.7%
Interest cover (Operating EBITDA pre VEO & SBP)	19.4	7.6	6.0	6.3	4.6
Operating EBITDA / Capital (equity + net debt)	46.8%	19.9%	13.0%	17.3%	19.7%

# Disclaimer

**The material in this presentation is a summary of the results of Coffey International Limited (Coffey) for the 12 months ended 30 June 2009 and an update on Coffey's activities and is current at the date of preparation, 19 August 2009. Further details are provided in the Company's full year accounts and results announcement released on 19 August 2009.**

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