



Engineers & Constructors

Kentz Corporation Limited

2010 Preliminary Results



Hugh O'Donnell
Chief Executive Officer



- Full year revenues up over 50% to US\$1.06bn. 2010 order intake US\$1.26bn including US\$507m natural growth from existing contracts
- Profit before tax increased by 52% to US\$67.5m
- Acquisition of RNE in South Africa, US\$30m EPC contract with GASCO and US\$35m contract with Natref
- Exciting new prospects for Kentz in Asset Enhancement Services
- Maintained industry leading health and safety record. 43 million man hours completed in 2010 with a total recordable incident ratio of 0.17
- Current bidding prospects of US\$3.70bn gives confidence for 2011

Kentz in the Middle East



- Kentz has worked in the Middle East for 34 years
- No material delays to current or pipeline projects
- Capex spending of IOCs not determined by short term oil price
- Kentz only working with large NOCs and IOCs
- 38% of Kentz's backlog is in the Middle East

Ed Power
Chief Financial Officer



Financial Highlights



US\$ million	FY10	FY09	
• Revenue	1,057.4	704.7	+50.1%
• EBITDA	81.7	51.1	+59.8%
• PBT	67.5	44.5	+51.8%
• PBT margins	6.4%	6.3%	+10 bps
• Gross Cash	231.3	180.3	+28.3%
• Backlog	1,602.6	1,497.4	+7.0%
• EPS (US cents per share)	40.66	26.46	+53.7%
• Final Dividend (US cents per share)	7.0 *	4.0	+75.0%

* Final Dividend Payable June 2011

Income Statement



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US\$ million	FY 10	FY 09	
Revenue	1,057.4	704.7	+ 50.1%
Revenue growth	50.1%	9.5%	
Gross Profit	133.5	94.8	+ 40.8 %
Gross Margin	12.6%	13.5%	
SG&A/Other	(77.1)	(53.5)	
% of Sales	7.3%	7.6%	
Operating Profit	56.4	41.3	+ 36.4%
Operating Margin	5.3%	5.9%	
Net Interest	0.2	1.3	
JV	10.9	1.8	
EBITDA	81.7	51.1	+ 59.8%
EBITDA %	7.7%	7.3%	
PBT	67.5	44.5	+ 51.8%
<i>PBT Margin</i>	6.4%	6.3%	
Tax	(18.5)	(11.2)	
Profit for the period	49.0	33.3	
Non-controlling interest	(1.7)	(2.5)	
Retained Profit	47.3	30.8	
EPS	40.66	26.46	+ 53.7 %

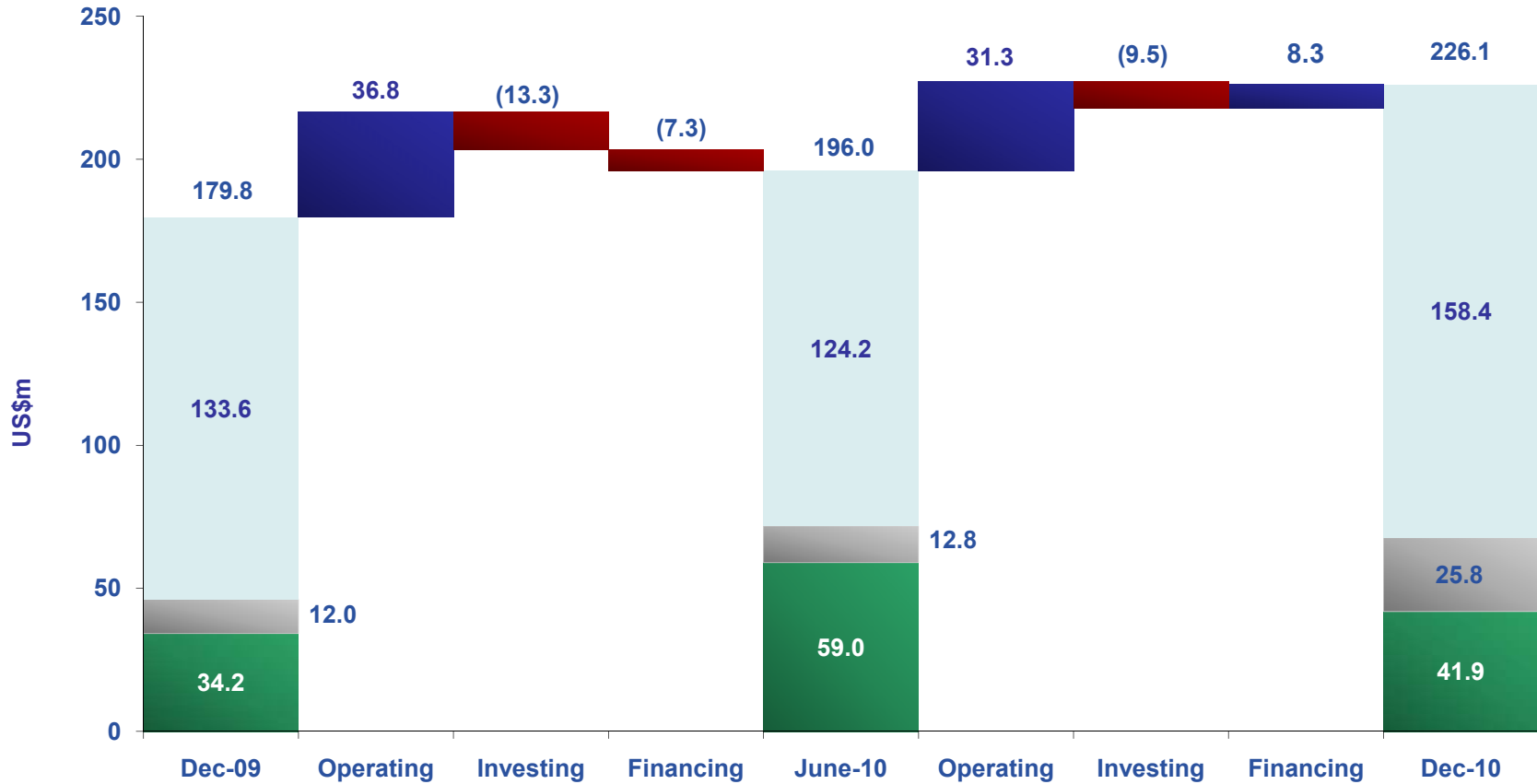
Financial Position



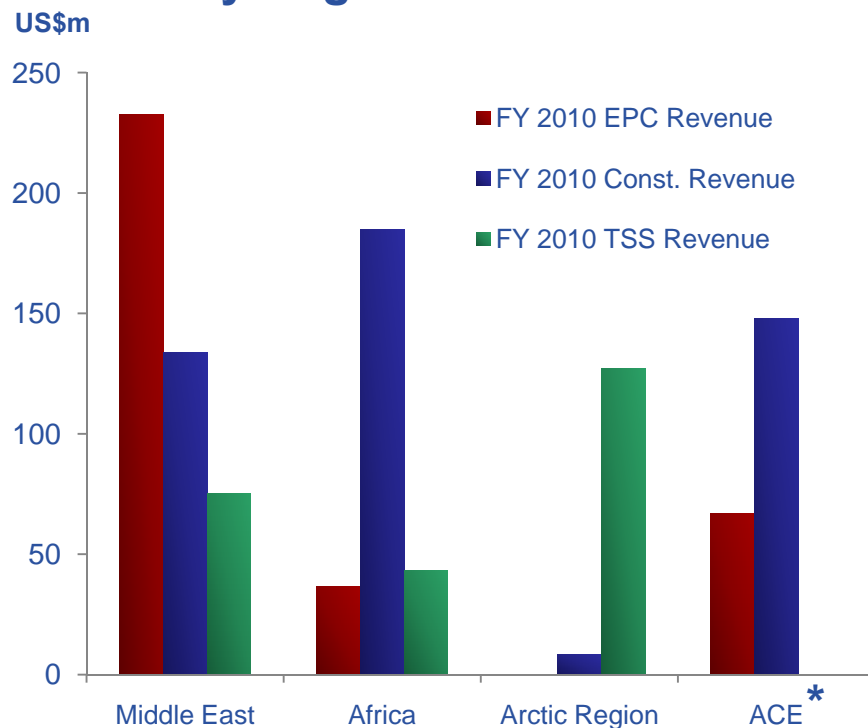
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US\$ million	FY 10	FY 09	
ASSETS			
Non-current assets	80.4	55.2	• Increase in non-current assets due to purchase of plant and equipment in Africa
Current Assets			
Inventories	80.7	25.2	• Working capital up 23.9% to US\$139.1m (2009: US\$112.3m) due to growth in the level of business
Trade and other receivables	227.4	173.2	
Cash and cash equivalents	<u>231.3</u>	<u>180.3</u>	
	539.4	378.7	
Total assets	619.8	433.9	• Cash at December 2010 includes US\$41.9m advance payments from clients (Dec 2009: US\$34.2m)
LIABILITIES			
Non-current liabilities	14.7	16.4	
Interest bearing loans and borrowings	13.9	8.2	
Current liabilities			• Shareholders Funds up 29.6% to US\$181.6m (2009: US\$140.1m)
Trade and other payables	388.4	262.5	
Interest bearing loans and borrowings	11.9	3.8	
Total liabilities	428.9	290.9	
Net assets	190.9	143.0	• Net assets up 33.6% to US\$190.9m (2009 US\$142.9m)

Cashflow Analysis

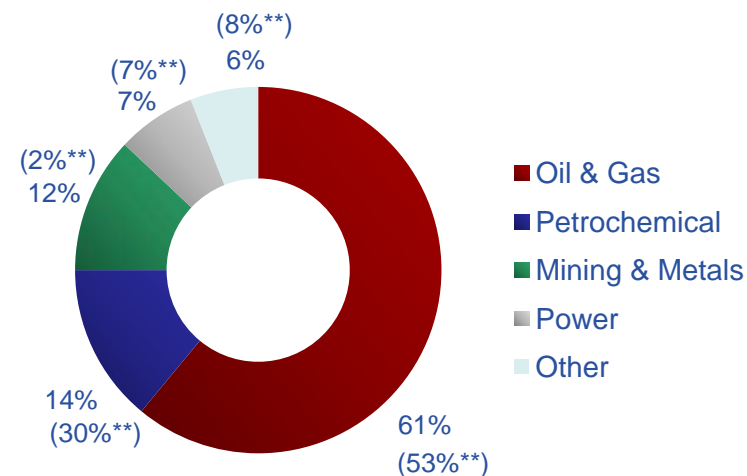


By Region and Business



41.8%	25.0%	12.8%	20.3%
Geographic revenues as a percentage of Group Revenues - 2010			
↓ 0.9%	↑ 66.8%	↑ 123.0%	↑ 444.7%

By Industry



Diversified portfolio of business units, regions and sectors

Elizabeth Rous
Group Head of IR



Revenue by Business Unit

Specialist EPC*

Onshore Modular Production Facilities
 Non-process Infrastructure
 Turnkey Utilities and Offsite Facilities
 Turnkey Port Facilities
 Small Capital Project Solutions
 Controls and Automation (TSI**)
 Telecommunications Systems
 Power Projects and Services

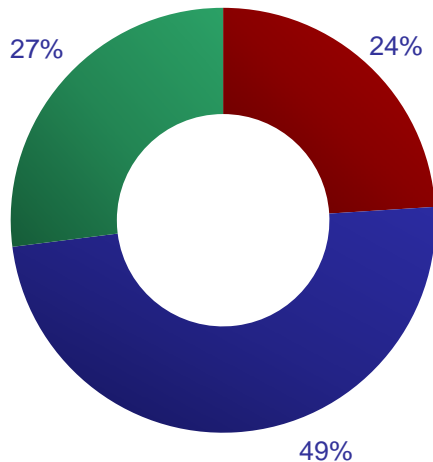
Construction

Site wide Construction Solutions
 Structural, Mechanical and Piping
 Electrical and Instrumentation

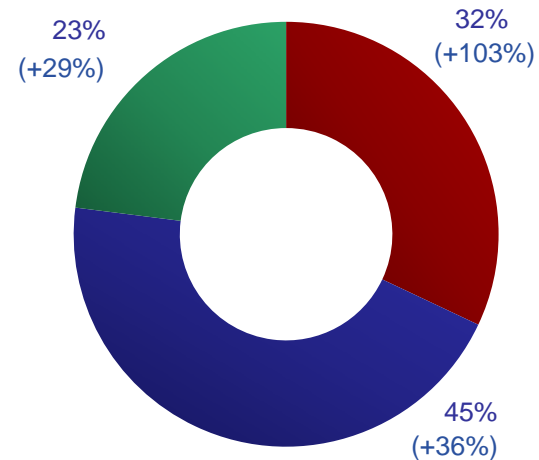
Technical Support Services

Capex Phase:
 Pre-EPC award (FEED***)
 Integrated Project Management
 Arctic Construction Services
 Completions and Commissioning
 Opex Phase:
 Brownfield Engineering Services
 Maintenance and Turnaround
 Offshore Services

Revenue by Business Unit based on
 FY 2009 US\$704.7m

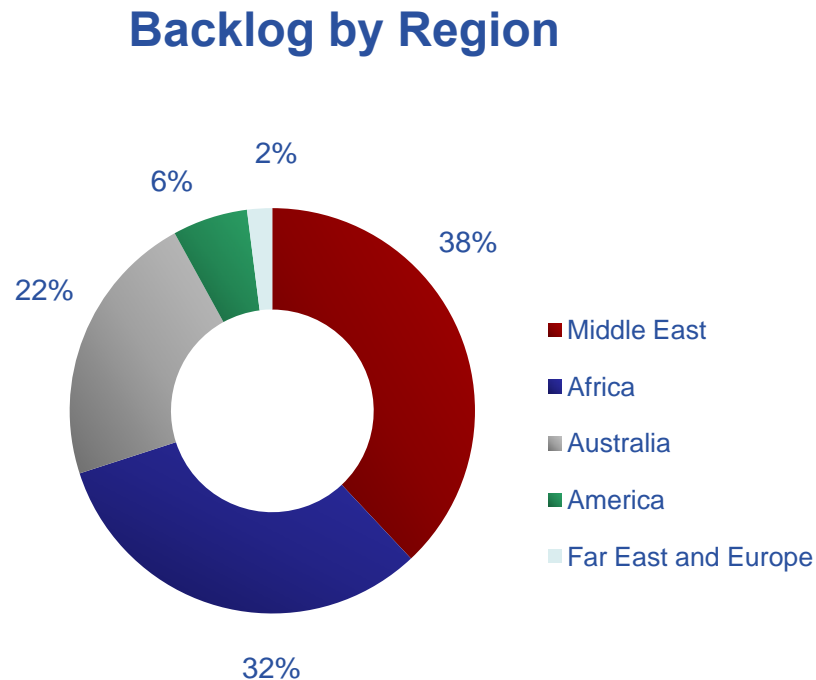
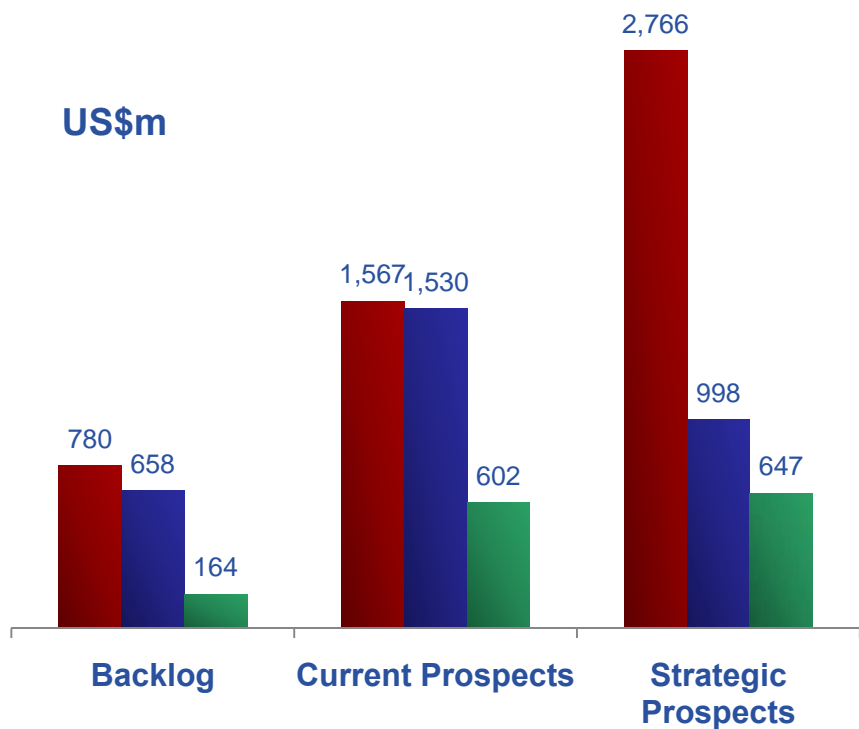


Revenue by Business Unit based on
 FY 2010 US\$1.06bn



Margin Enhancing Opportunities

- Specialist EPC forming a larger part of the business
- Expanding into Process EPC with anticipated higher margin
- Growth of TSS through Asset Enhancement Services; higher margin, longer-term visibility of earnings
- Acquisition completed of South African engineering company
 - Deal value US\$10m
 - 50% at close, 50% earn out
 - Expanded client base and service offering
- Plan to grow through margin enhancing acquisitions



- Australasia and Africa backlog up US\$143.2m (20.0%) during 2010
- 2010 growth in total EPC pipeline US\$1.37bn (46.3%)
- TSS backlog up US\$33.3m (25.5%) during 2010

Visibility of Future Work

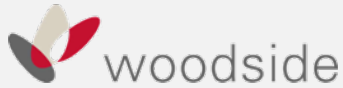
End Dec 2010	...3-6 months	...6-12 months	...12-18 months
Backlog US\$1.60bn	Letters of Intent <i>As of March trading position</i>	Current Prospects <i>As of March trading position</i>	Strategic Prospects <i>As of March trading position</i>
Backlog to end Jan 11 c.US\$1.63bn*	LOIs and new orders received c.US\$68.5m	Potential prospects up to US\$3.70bn (Mar 10: US\$2.95bn)	Potential prospects up to US\$4.41bn (Mar 10: US\$3.21bn)
(Dec 09: US\$1.5bn)			

- Strong order intake in 2010 c.US\$1,364m to end of Jan, including US\$527m natural growth
- Revenue c.US\$932m on hand for 2011
- Revenue c.US\$670m on hand for 2012 onwards

Outlook with Key Clients



- Announced intention to add two further trains at Gorgon LNG
- Currently bidding packages for Wheatstone LNG



- Pluto II and III opportunity with Pluto I experience
- Browse LNG currently under FEED



- Brownfield engineering services contract to provide plant change requests on Pearl GTL, Qatar
- 2011 capex budget focusing on Qatar and Australia



- Global Framework Agreement with ExxonMobil Development
- Building relationship with Production Company for Asset Enhancement Services



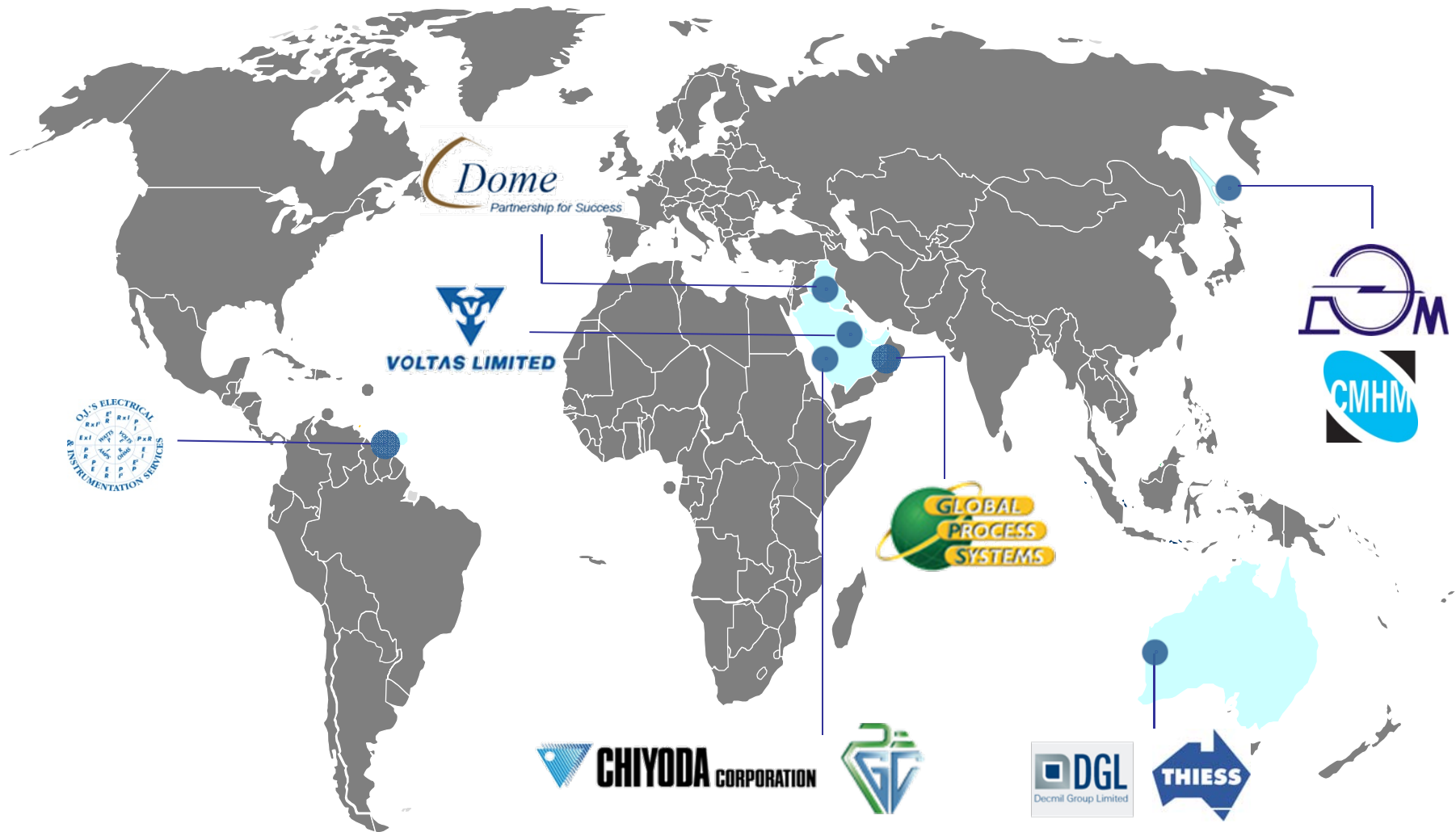
- Kentz's acquisition of RNE; leading supplier to Sasol
- Opportunities through Sasol's acquisition of shale gas reserves in Canada

- Successful in joint venture partnerships for over 20 years. Currently have 10 joint ventures across the world
- Local content increasingly a requirement for IOC clients
- Ownership structure and commercial model varies from location to location
- Incorporated JVs are equity accounted; consolidated where board control exists
- Kentz brings project management, safety leadership and systems and JV partners excel in local content, craft and equipment
- Critical to projects in remote locations where good working relationships with local JV partners are important; Iraq and Russia

Kentz Joint Ventures



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Outlook

Conclusion and Outlook

- Significant organic growth
 - Revenue up over 50% to US\$1.06bn
 - EPS up 53.7% to US\$40.66 cents per share
 - Net Cash up 22.1% to US\$ 205.5m
- Current trading in line with expectations
- New areas; Iraq, Papua New Guinea and the Dominican Republic
- Margin enhancing growth strategy
 - Acquisition Strategy; recently completed RNE deal
 - New growth initiatives in Asset Enhancement Services
 - Pipeline of Process EPC opportunities US\$1.40bn
- Core IOC top three clients' annual Capex spend approaching US\$90bn, underpins 31.6% growth in Kentz overall pipeline to US\$8.11bn

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