Kentz Corporation Limited

2010 Interim Results Presentation



Dr. Hugh O'Donnell
Chief Executive Officer

Strong Performance

- First half revenue up 32% to US$434.3m. Order intake to end July US$664.8m including US$212.2m organic growth
- Profit before tax increased by 36% to US$25.2m
- Recent announcements include contract awards in Papua New Guinea and the signing of a Memorandum of Understanding with Iraqi company Dome
- Exciting new prospects for Kentz in Process EPC
- Maintained industry leading health and safety record. 20 million man hours completed in the first half of 2010 with a total recordable incident ratio of 0.13
- Strong bidding pipeline of US$3.64bn gives confidence for positive outlook

Ed Power

Chief Financial Officer

Financial Highlights

US$ million	FY09	H109	**H110**	
• Revenue	704.7	328.8	**434.3**	+32.1%
• EBITDA	51.1	22.1	**32.4**	+46.3%
• PBT	44.5	18.5	**25.2**	+36.0%
• PBT margins	6.3%	5.6%	**5.8%**	+3.6%
• Gross Cash	180.3	166.1	**197.8**	+19.1%
• Backlog	1,497.4	1,100.9	**1,602.1**	+45.5%
• EPS (US cents per share)	26.46	11.09	**14.95**	+34.8%
• Interim dividend (US cents per share)		2.0	**3.0***	+50.0%

*** Interim Dividend Payable October 2010**

Income Statement

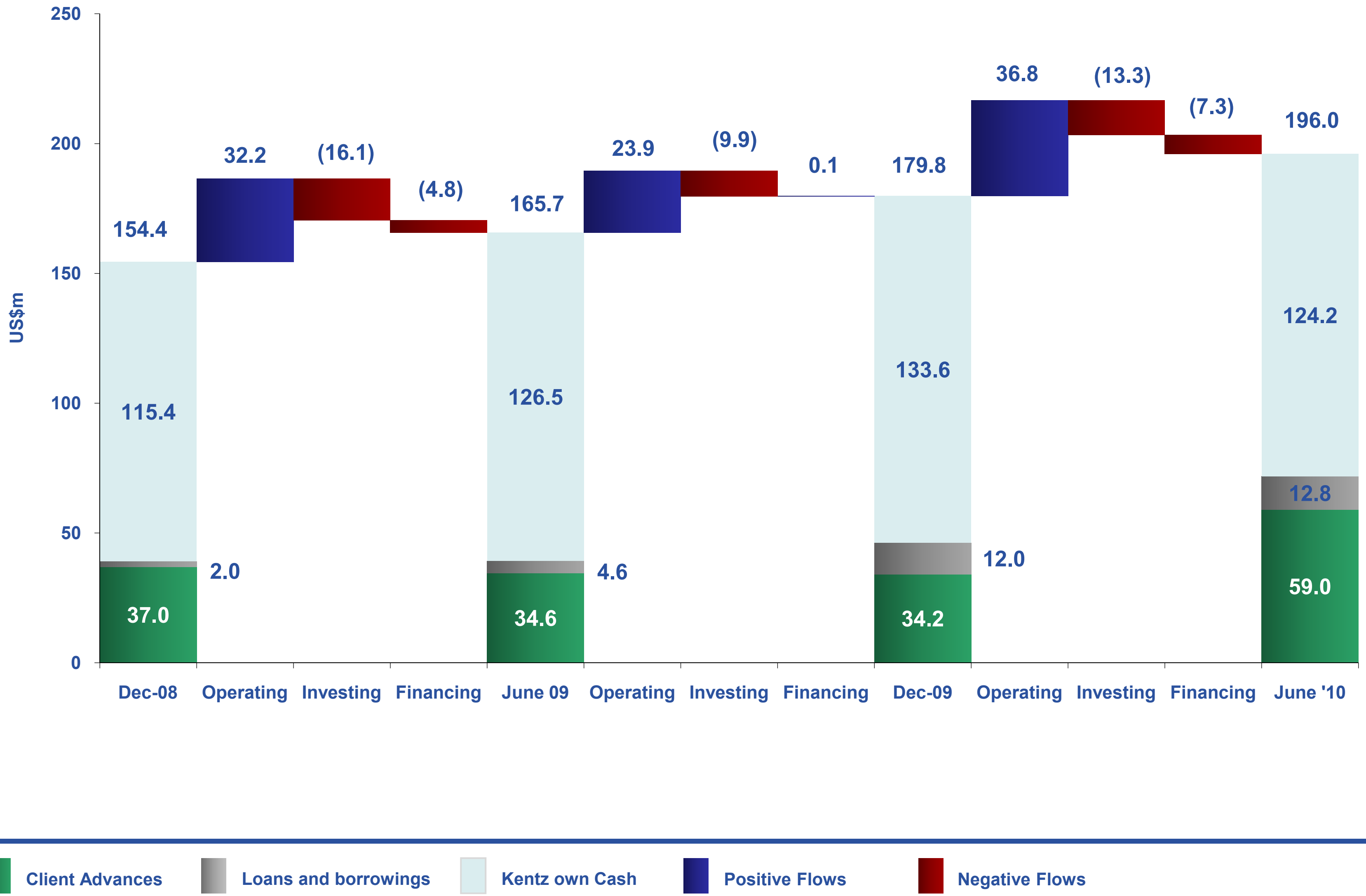
US$ million	FY 2009	H1 2009	**H1 2010**	
Revenue	704.7	328.8	**434.3**	+32.1%
Revenue growth	*9.5%*	-	***32.1%***	
Gross Profit	94.8	43.8	**53.8**	+22.9%
Gross Margin	*13.5%*	*13.3%*	***12.4%***	
SG&A/Other	(53.5)	(26.0)	**(33.8)**	
% of Sales	7.6%	8.0%	**7.8%**	
Operating Profit	41.3	17.8	**20.1**	+12.6%
Operating Margin	*5.9%*	*5.4%*	***4.6%***	
Interest	1.3	0.4	**0.2**	
JV	1.8	0.3	**4.9**	
EBITDA	*51.1*	22.1	***32.4***	+46.3%
EBITDA %	7.3%	6.7%	**7.5%**	
PBT	44.5	18.5	***25.2***	+36.0%
PBT Margin	*6.3%*	*5.6%*	***5.8%***	
Tax	(11.2)	(4.7)	**(6.7)**	
Profit for the period	33.3	13.8	**18.5**	
Non-controlling interest	(2.5)	(0.9)	**(1.1)**	
Retained Profit	30.8	12.9	**17.4**	
EPS	26.46	11.09	**14.95**	+34.8%

Financial Position

US$ million	FY 09	H1 09	**H1 10**
ASSETS			
Non-current assets	55.2	47.8	**78.1**
Current Assets			
Inventories	25.2	17.7	**57.6**
Trade and other receivables	173.2	146.3	**214.7**
Cash and bank balances	180.3	166.1	**197.8**
	378.7	330.1	**470.1**
Total assets	433.9	377.9	**548.2**
LIABILITIES			
Non-current liabilities	16.4	21.5	**25.2**
Interest bearing loans and borrowings	8.2	-	**7.7**
Current liabilities			
Trade and other payables	262.5	227.6	**356.3**
Interest bearing loans and borrowings	3.8	3.3	**5.2**
Total liabilities	290.9	252.4	**394.4**
Net assets	143.0	125.5	**153.8**

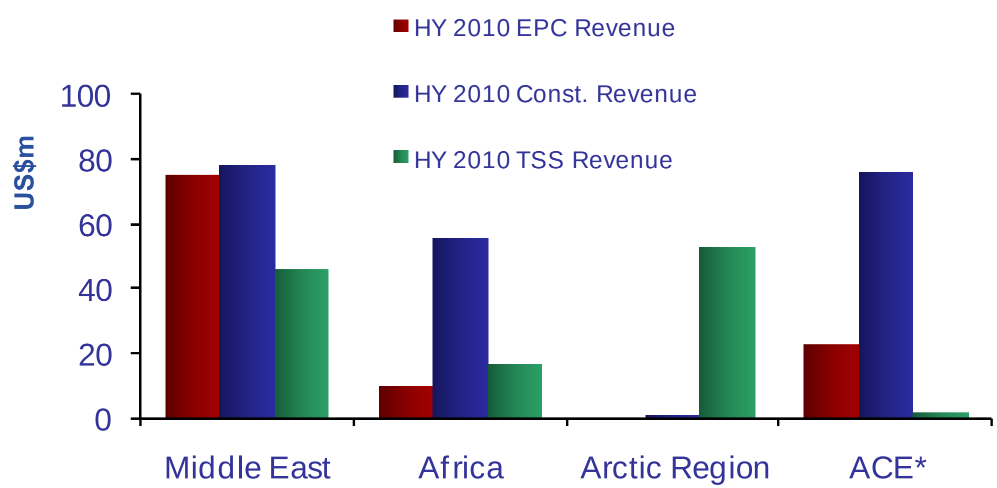
- **Increase in non-current assets due to purchase of additional plant and equipment in Africa**
- **Working capital up 9.5% to US$108.5m (2009: US$99.1m) due to growth in the level of business**
- **Cash at June 2010 includes US$59.0m advance payments from clients (June 2009: US$34.6m)**
- **Shareholders Funds up 17.8% to US$146.5m (2009: US$124.3m) and net assets up 22.5% to US$153.8m (2009 US$125.5m)**

Cashflow Analysis



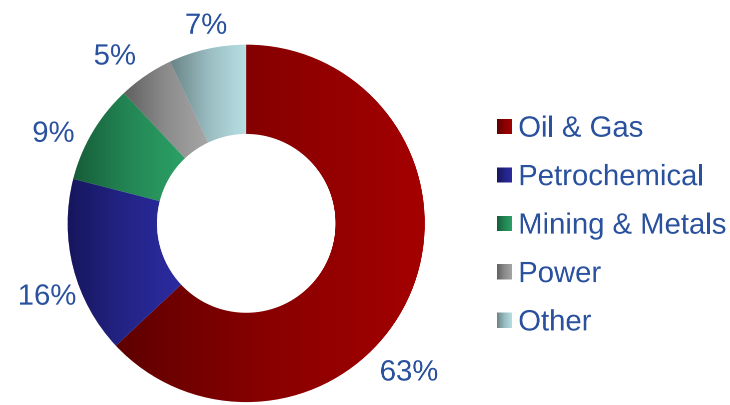
Revenue Profiles

By Region and Business



45.7%	19.0%	12.5%	22.8%
Geographic revenues as a percentage of Group Revenues - 2010			
↓ 14.3%	↑ 30.8%	↑ 185.2%	↑ 573.0%

By Industry



Diversified portfolio of business units, regions and sectors

*** Australasia, Caribbean and Europe**

Engineers & Constructors

Operational overview

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

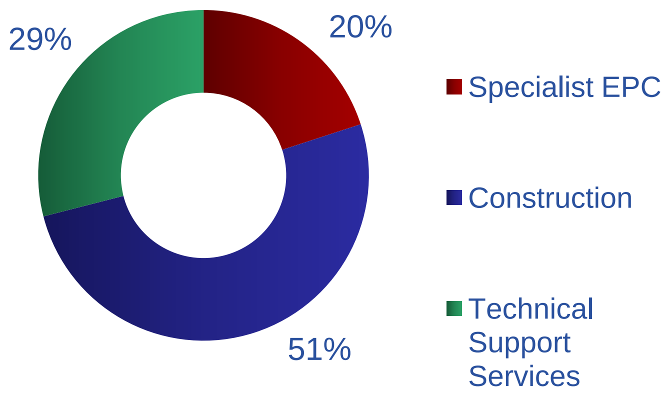
Construction

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

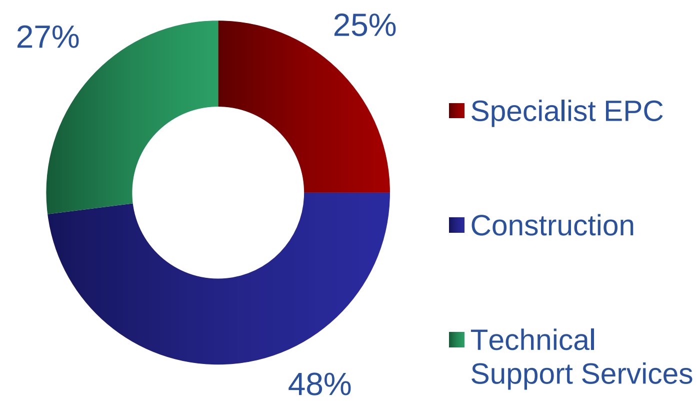
Technical Support Services

Pre-EPC award (FEED***)
Integrated Project Management
Arctic Construction Services
Completions and Commissioning
Maintenance and Turnaround
Offshore Services

**Revenue by Business Unit
based on H1 2009 US$328.8m**

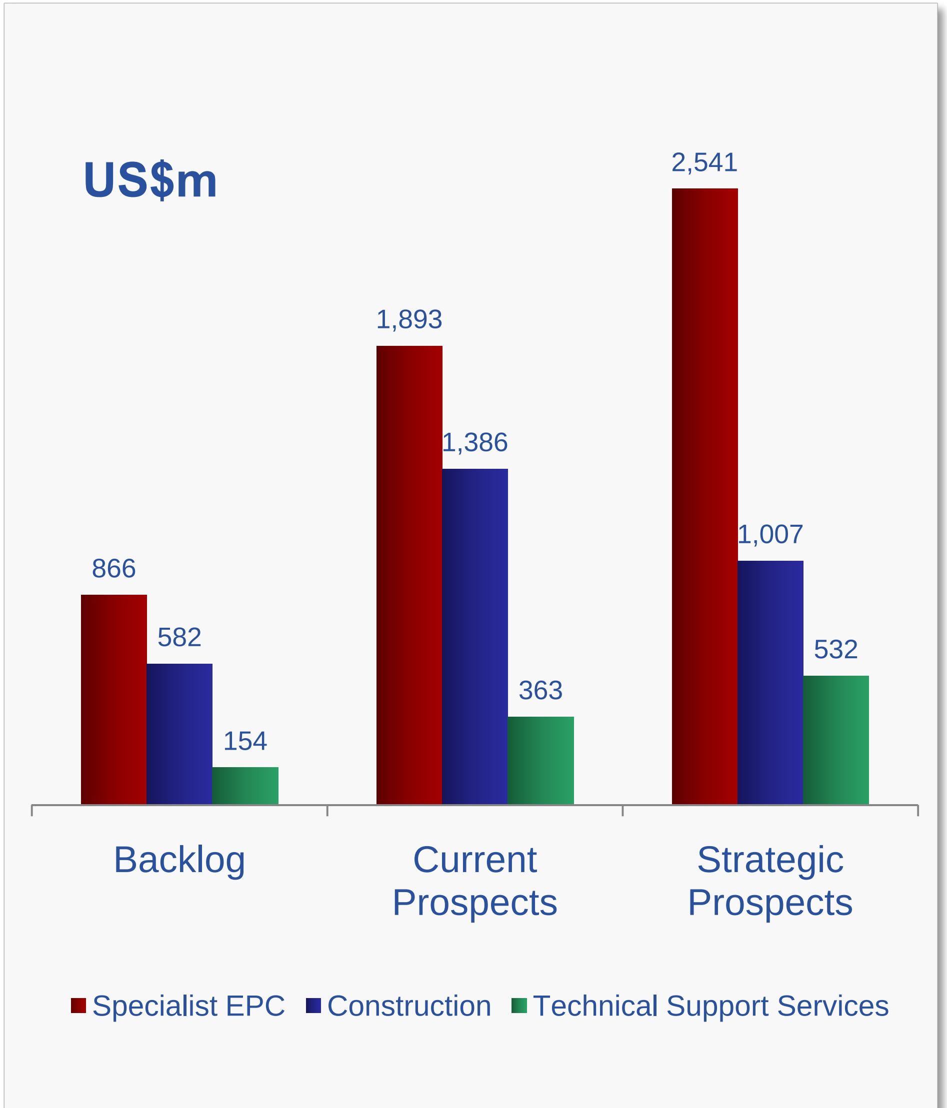


**Revenue by Business Unit
based on H1 2010 US$434.3m**

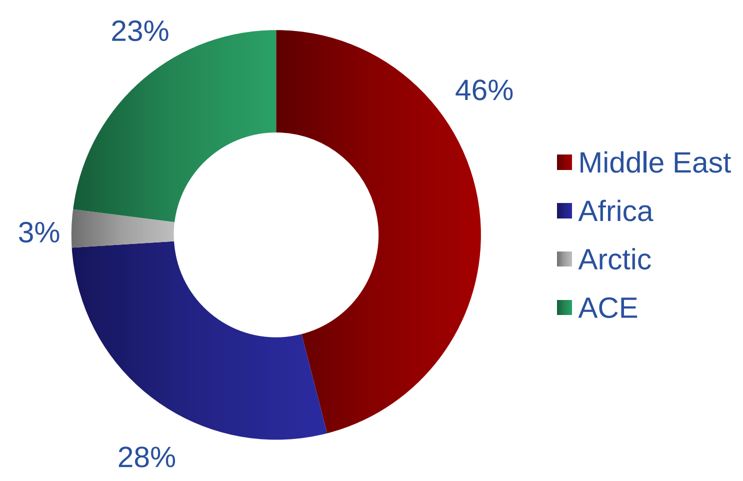


*Engineering, Procurement and Construction ** Total Systems Integration *** Front End Engineering and Design

Future Prospects



Backlog by Region



Based on July 2010 Backlog of US$1.6bn

Visibility of Future Work

H1 2010	...3-6 months	...6-12 months	…12-18 months
Backlog ***As of end July trading position***	**Letters of Intent** ***As of end July trading position***	**Current Prospects** ***As of end July trading position***	**Strategic Prospects** ***As of end July trading position***
US$1.60bn* (Jan 10 c.US$1.60bn*)	LOIs and new orders received c.US$42.0m (Jan 10 c.US$43.0m)	Potential prospects up to US$3.64bn (Jan 10 c.US$2.95bn)	Potential prospects up to US$4.08bn (Jan 10 c.US$3.21bn)

- Strong order intake in 2010 c.US$665m to end of July, including US$212m growth from existing contracts
- Revenue c.US$827m on hand for 2010
- Revenue c.US$1,190m on hand for 2011 onwards

* Includes Kentz's share of Gorgon Construction Village JV

Process Technology Initiatives

Expanded service offering plans

- Onshore modular Process Plant Expertise now in-house through Kentz Global Oil and Gas
- Future focus now on Process technology
- Proven track record in remote locations with modular build plants
- Process technology applications to enhance full service offering from Kentz

Process Technology	Specialist EPC	Construction	Technical Support Services
Wellhead Controls Offshore Safety systems Oil & Gas Separation Systems Gas Treatment Systems Specialised Gas Treatment Offshore Topsides Onshore Modular Process Packages			

Process EPC Pipeline

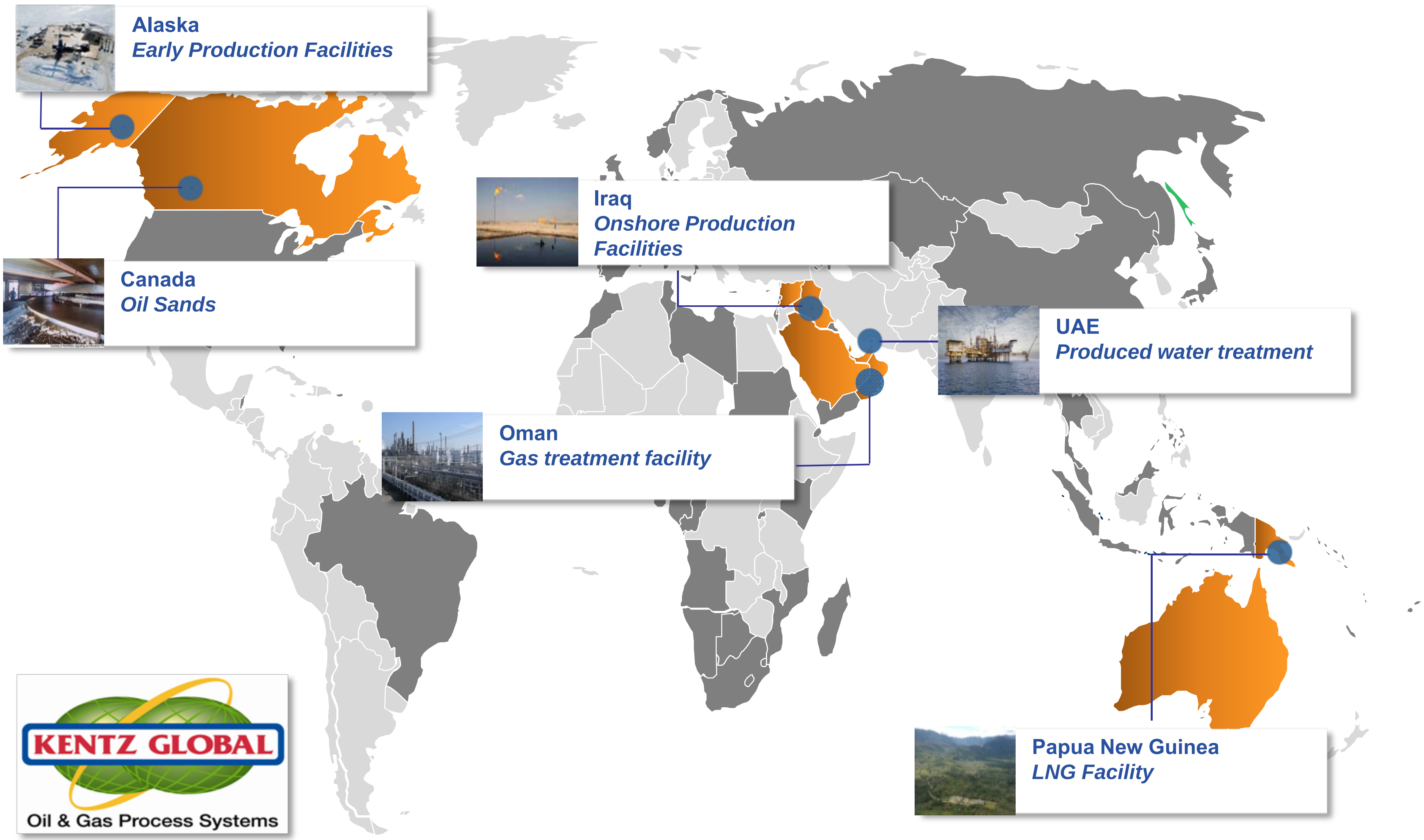
H1 2010	...3-6 months	...6-12 months	…12-18 months
Backlog *As of end July trading position*	**Letters of Intent** *As of end July trading position*	**Current Prospects** *As of end July trading position*	**Strategic Prospects** *As of end July trading position*
c.US$121m	N/A	up to US$460m	up to US$1.01bn

- Backlog includes Onshore Production Facility (Yemen) and Glycol Regeneration (Qatar)

These numbers are included in pipeline for the Group

Process EPC Prospects

KENTZ
Engineers & Constructors



KENTZ GLOBAL
Oil & Gas Process Systems

Countries where Kentz has worked

Process EPC Prospects

Top Ten Clients by Revenue

Engineers & Constructors

32 year working relationship.
Sipchem Jubail Acetyls Complex and Saudi Kayan Project, Saudi Arabia.
Sakhalin II Project, Sakhalin Island.

Pearl GTL, Qatar
Kentz value in excess of US$400m

Pluto LNG Project, Western Australia
Kentz value US$107m

10 year working relationship.
Recently awarded a multi-million dollar contract for engineering support services

Gorgon LNG Project, Construction Village and Telecoms Package, Western Australia
Combined Kentz value US$250m

Medupi Power Station Project, South Africa
Kentz value US$250m

Recently entered a five year Global Framework Continuing Engineering Service Agreement

Onshore Production Facilities
Kentz value US$146m

Ongoing participation on Construction services in the Middle East

30 year working relationship.
Recently signed Framework Agreement

Outlook

Conclusion and Outlook

- Continued excellent organic growth
  - Order backlog US$1.6bn at the end July 2010 (Dec 2009:US$1.5bn)
  - Gross Cash increased to US$197.8m
  - Pipeline grown 23% to US$3.64m, underpinned by niche Process EPC prospects
- Entry into upstream oil and gas sector achieved
- Further penetration achieved by GBUs into new areas such as Papua New Guinea
- Continued growth mainly driven by expansion in Australasia and Arctic
- Global reach and flexibility provides a positive outlook for Kentz

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