

VERTICON GROUP LIMITED

Results Presentation

for period ending 30 June 2005



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VERTICON

Verticon Recap

- » Consolidated two tower crane companies
- » Raised \$50m to buy the businesses and listed 17 December 2004
- » Strategy is to consolidate tower crane and hoist sector
- » Expand presence in mobile crane sector with view to consolidation

FY05 Results

Statutory Result Vs Prospectus

		Prospectus Vs Actual	
»	FY05 Revenue	\$25.1m Vs \$24.3m	↓ 3%
»	FY05 EBITDA	\$8.5m Vs \$8.0m	↓ 6%
»	NPAT	\$4.9m Vs \$4.5m	↓ 8%
»	EPS (stat)	15.24 Vs 9.01	
»	EPS (op period)	15.24 Vs 13.08 (1)	

Proforma Results Vs FY04

»	FY05 Revenue	\$43.5m	↑ 23%
»	FY05 EBITDA	\$14.2m	↑ 10%

Dividends

»	4.5c per share	up from 4 cents per share in prospectus
»	Fully franked	as per prospectus

FY05 Results

Seca

	Actual	Prospectus
Revenue – hire	\$8.6m	\$9.2m
– labour	\$9.6m	\$10.4m
– equip	\$0.9m	\$0.8m
Total Revenue	\$19.1m	\$20.4m
EBITDA	\$7.7m	\$7.3m

Econ

Revenue – hire	\$2.6m	\$3.9m
– labour	\$1.0m	\$0.7m
– equip	\$1.4m	\$0.0m
Total Revenue	\$5.0m	\$4.6m
EBITDA	\$1.4m	\$2.1m

Key Drivers of Results - Victoria

- » Hire contracts did not materialise
- » Jobs did not start on time (slippage)
- » Poor operations in Victorian business
- » Action taken to rectify
 - Replaced management
 - Acquired in expertise that was lacking (GFB)
 - Consolidated operations

Key Drivers of Results - Victoria

- » Beginning to win new customers
 - Becton
 - LU Simon
 - Multiplex

Key Drivers of Results - Qld

- » Seca performed to target
 - Maintained all existing customers
 - Expanded fleet
 - Achieved targets despite acquisition distraction
 - Slippage occurred

Key Drivers of Results - Group

- » Established equipment sales presence
 - Sales to builders who want to own equipment (cranes & hoists)
- » Utilised technical expertise embedded in each division across the group
- » Maintained private company culture in public company

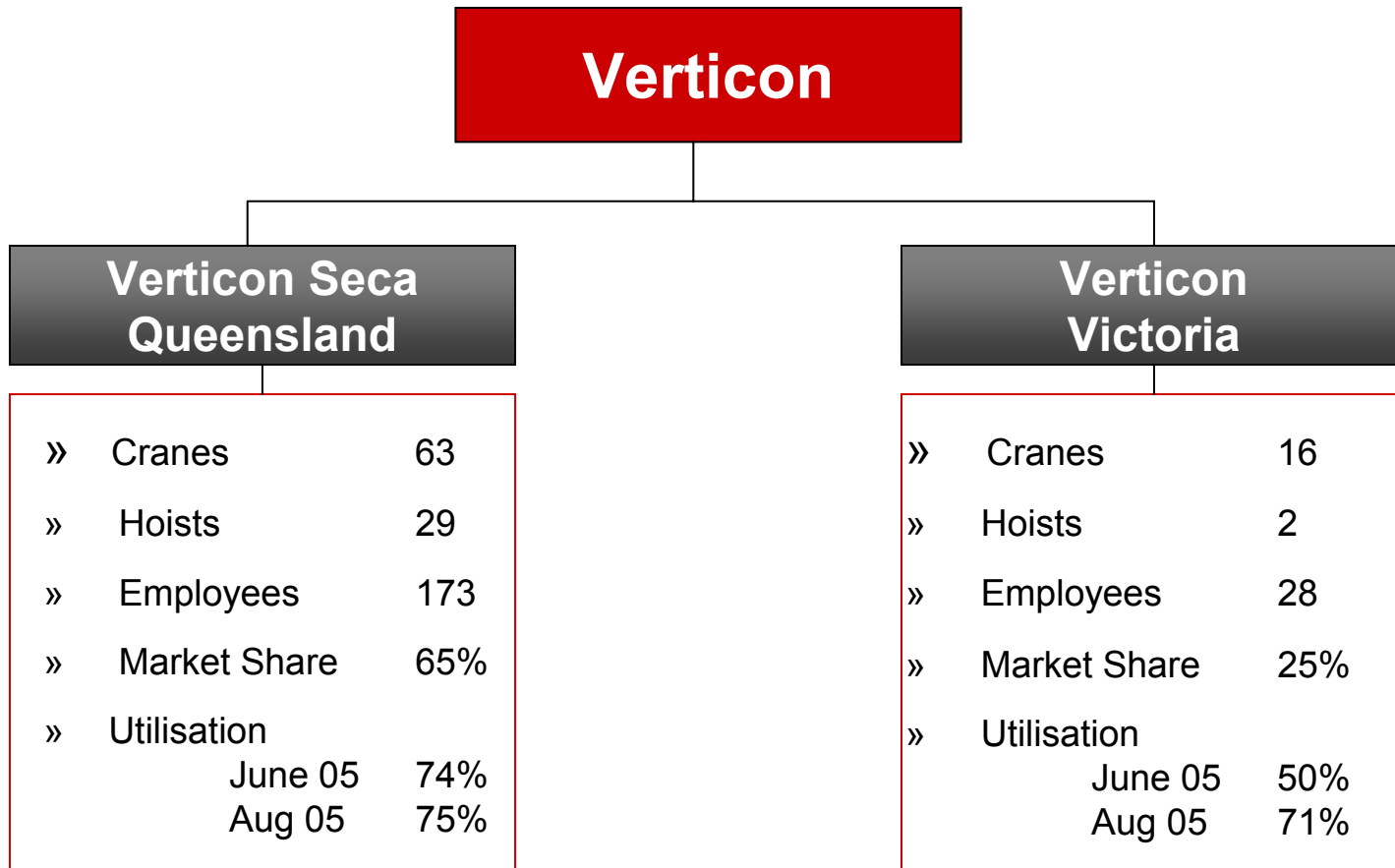
FY05 Highlights

- » EBIT/Funds Employed 13.2% (annualised)
- » Acquired Victorian tower crane business from Eltrax
- » Acquired specialist fabrication and rigging business – GFB Engineering
- » Purchased 11 tower cranes and 1 hoist
- » Reduced average age of fleet (13 years to 12 years)
- » Entered New Zealand market (4 cranes)
- » Secured Australian distribution rights for Comedil tower cranes

FY05 Highlights (cont)

- » Significant work undertaken to secure a foothold in Sydney (6 cranes currently in Sydney)
- » Extending Victorian coverage into WA & SA
- » Expanding Queensland operations into far North Queensland

Operations

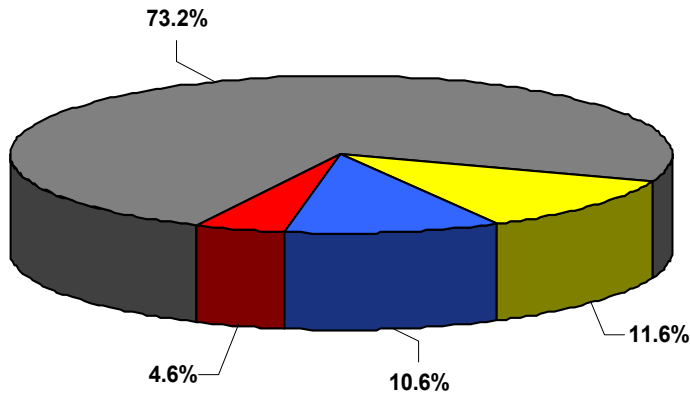


Business Model

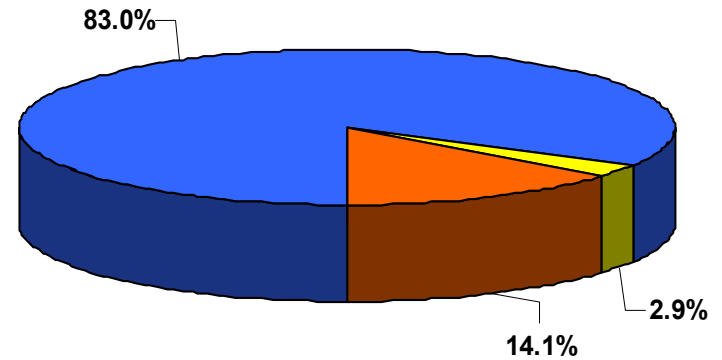
- » Consolidate tower crane and hoist industry by acquisition
- » Increase fleet utilisation by being exposed to different geographical markets
- » Continue organic growth
- » Develop alliances with major builders
- » Move into mobile crane sector (infrastructure opportunities)
- » Uplift from private company to public company valuations

Revenue Analysis

Revenue by Sector



Revenue by State



Statutory Result

Operating period 13 December 2004 to 30 June 2005

(\$million)	Prospectus	Actual	Var
REVENUE	25.1	24.3	↓ 3.1%
EBITDA	8.5	8.0	↓ 5.9%
NPAT	4.9	4.5	↓ 8.2%
EBITDA/SALES	33.9%	32.9%	
DIVIDEND	4.0	4.5	↑ 12.5%

- Seca on track
- Management issues – Econ
- Econ contracts not achieved (\$1.2 m revenue)

Proforma Result ⁽²⁾

Period 1 July 2004 to 30 June 2005

(\$million)	Prospectus	H1	H2	Total
Revenue	45.6	20.3	22.9	43.2
EBITDA	16.3	7.0	7.8	14.8
EBITDA/SALES%	35.7%	34.4%	34.1%	34.3%

- Revenue up 13% in second half
- Seca revenues continue to grow
- Econ contracts not achieved (0.6% EBITDA/Sales)

(2) Unaudited

Summary Operating Cash Flows

Operating period 13 December 2004 to 30 June 2005

(\$million)	Prospectus	Actual	Change
EBITDA	8.5	8.0	↓ 6%
Net capital expenditure	(5.3)	(3.1)	↓ 42%
Movement in other operating net assets	(8.3)	(9.4)	↑ 13%
Operating Cash Flow	(5.1)	(4.5)	↑ 12%
Net borrowing costs	(0.2)	(0.2)	
Income tax paid	0.0	0.0	
Net Operating Cash Flow	(5.3)	(4.7)	↑ 11%

- Lower capex than planned
- Trade debtors proving sticky; area for improvement

Summary Balance Sheet

As at 30 June 2005

(\$ million)	Prospectus	Actual
Working capital	6.1	7.4
Property, plant and equipment	45.2	48.6
Intangibles	5.2	6.1
Other	(0.2)	(2.0)
Total Assets Employed	56.3	60.1
Net debt	4.2	7.3
Equity	52.1	52.8
Total Funds Employed	56.3	60.1

- 3 small acquisitions \$4m debt funded

Final Dividend

- » Final dividend of 4.5 cents per share
 - 4.0 cents prospectus forecast
 - Record date: 6 October
 - Payment date: 21 October

- » 100% franking for Australian shareholders

Industry Activity Going Forward

- » Predicted increase in office and infrastructure projects already commenced
- » Residential construction in Victoria being substituted for office development
- » Activity in all sectors in Queensland remains strong
- » NSW also strong with activity in hotels and office construction
- » Level of enquiries at higher levels than 2004

Trading Update and Outlook

» Going forward

- Largest tower crane fleet in Australia
- Queensland division expanding
- Victorian division going forward on strong base
- Will achieve national coverage
- Sourcing new equipment – cranes and hoists
- Winning new customers

» Initial guidance is for Earnings Per Share increase for FY06 to be in the order of 15% to 15 cents per share

Questions?

Appendix – EPS Calculation

Operating Period EPS

- » Operating period 13 December 04 to 30 June 05 = 200 days
- » NPAT for same period = \$4,485,807
- » Annualised NPAT = \$8,186,598
- » Shares on issue at 30 June 2005 = 62,599,679
- » Implied EPS = 13.08 cents