

# Full Year Results Presentation

## 30 June 2006

The Verticon Group provides construction services and equipment hire to the building industry through a variety of projects in the high-rise, large commercial, residential and engineering sectors. Through acquisition and a broadening of its services and products, Verticon is building growth.



# Results

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- » Revenue \$49.96m / EBITDA \$11.04m / NPAT \$1.69m
- » Financial performance and results were disappointing
- » Acquired Daniel Smith Industries (NZ) for \$41.53m
- » Acquired Fire Up Cranes & Rigging (NSW) for \$5.08m
- » Restructure of senior executive team
- » Key new business partnerships established



# Financial Performance

	Full Year
<b>Revenue</b>	<b>49.96</b>
<b>EBITDA</b>	<b>11.04</b>
EBITDA %	22.1%
<b>EBIT</b>	<b>6.15</b>
EBIT %	12.3%
<b>NPAT</b>	<b>1.69</b>
NPAT%	3.4%
<b>EPS Basic</b>	<b>2.7</b>
<b>EPS Adjusted</b>	<b>2.7</b>



# Financial Position

	Full Year
Cash	0.30
Receivables	13.73
Plant & Equipment	82.53
Intangibles	15.59
Other	2.28
<b>Total Assets</b>	<b>114.43</b>
Payables	5.04
Deferred Vendor Payments	8.38
Borrowings	47.26
Provisions	0.96
Other	1.65
<b>Total Liabilities</b>	<b>63.29</b>
<b>Net Assets</b>	<b>51.14</b>



# Cashflow

	Full Year
EBITDA	11.04
Net interest	(2.74)
Income tax paid	(1.88)
Movement in operating net assets	(2.16)
<b>Net operating cashflow</b>	<b>4.26</b>
Capital expenditure	(10.04)
Business acquisitions net of cash	(36.88)
Sale of property, plant & equipment	2.25
<b>Net investing cashflow</b>	<b>(44.67)</b>
Proceeds of borrowings	41.14
Dividends paid	(2.82)
<b>Net financing cashflow</b>	<b>38.32</b>
<b>Net cashflow</b>	<b>(2.09)</b>

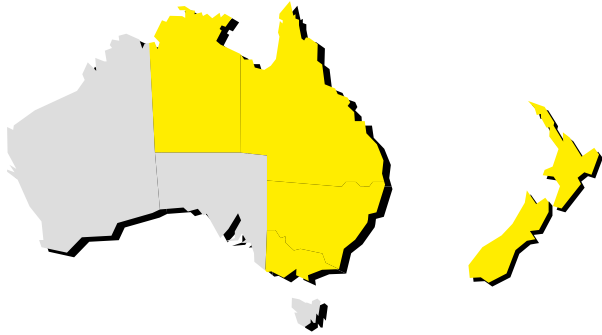


# Capital Expenditure

	Full Year
Growth	8.72
Replacement	1.32
Acquisition	36.88
<b>Total</b>	<b>46.92</b>



# Overview



	<b>Tower Cranes</b>	<b>Mobile Cranes</b>	<b>Hoists</b>	<b>Staff</b>
Queensland	71	5	31	135
New South Wales	12	2	13	38
Victoria	14	3	-	14
<b>Total Australia</b>	<b>97</b>	<b>10</b>	<b>44</b>	<b>187</b>
New Zealand	21	31	3	20
<b>Total Group</b>	<b>118</b>	<b>41</b>	<b>47</b>	<b>207</b>



# Crawler Crane





# Tower Crane



# Man & Material Hoist



# New Systems

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- » **Asset Management System**
  - Enhanced asset tracking and utilisation
  - Maintenance management system
- » **Accounting & Project Costing System**
  - Improved identification of project and asset profitability
  - Increased management reporting
- » **Shared Services**
  - Increased controls and efficiencies
  - Reduced costs



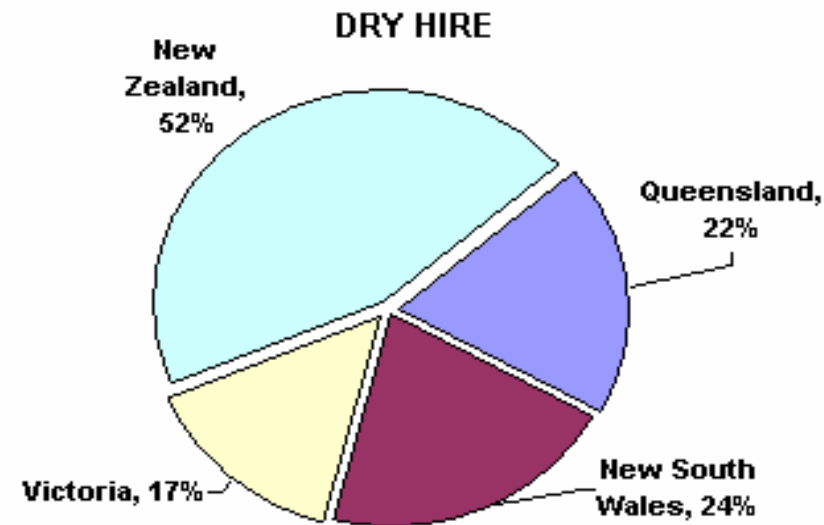
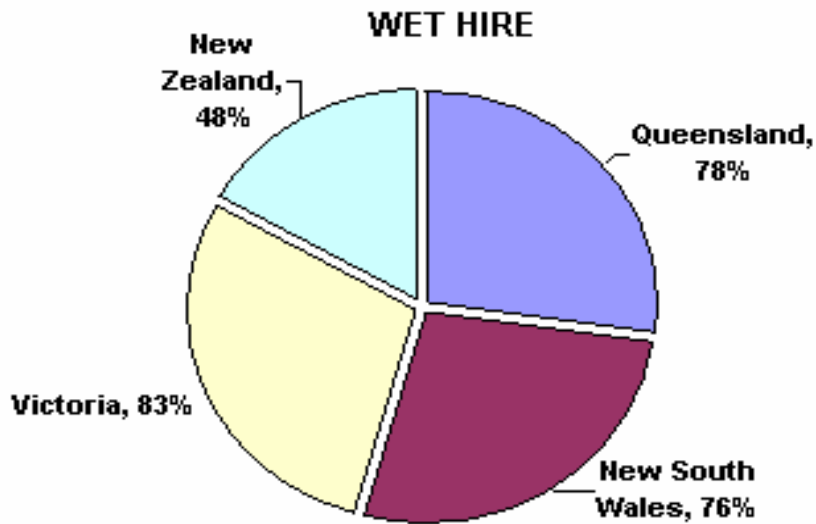
# Full Year Results

- » Competitive commercial market
- » Labour margins reduced on high-rise projects
- » Activity slowed in Queensland and Victoria
- » Poor management of the VIC business + bad debts
- » VIC business to be rebuilt using Convention Centre project
- » Ongoing relocation of under utilised fleet
- » Good growth opportunities in NZ and NSW
- » Average Utilisation: Tower Cranes (65%), Hoists (59%)  
Crawler & Mobile Cranes (90%)

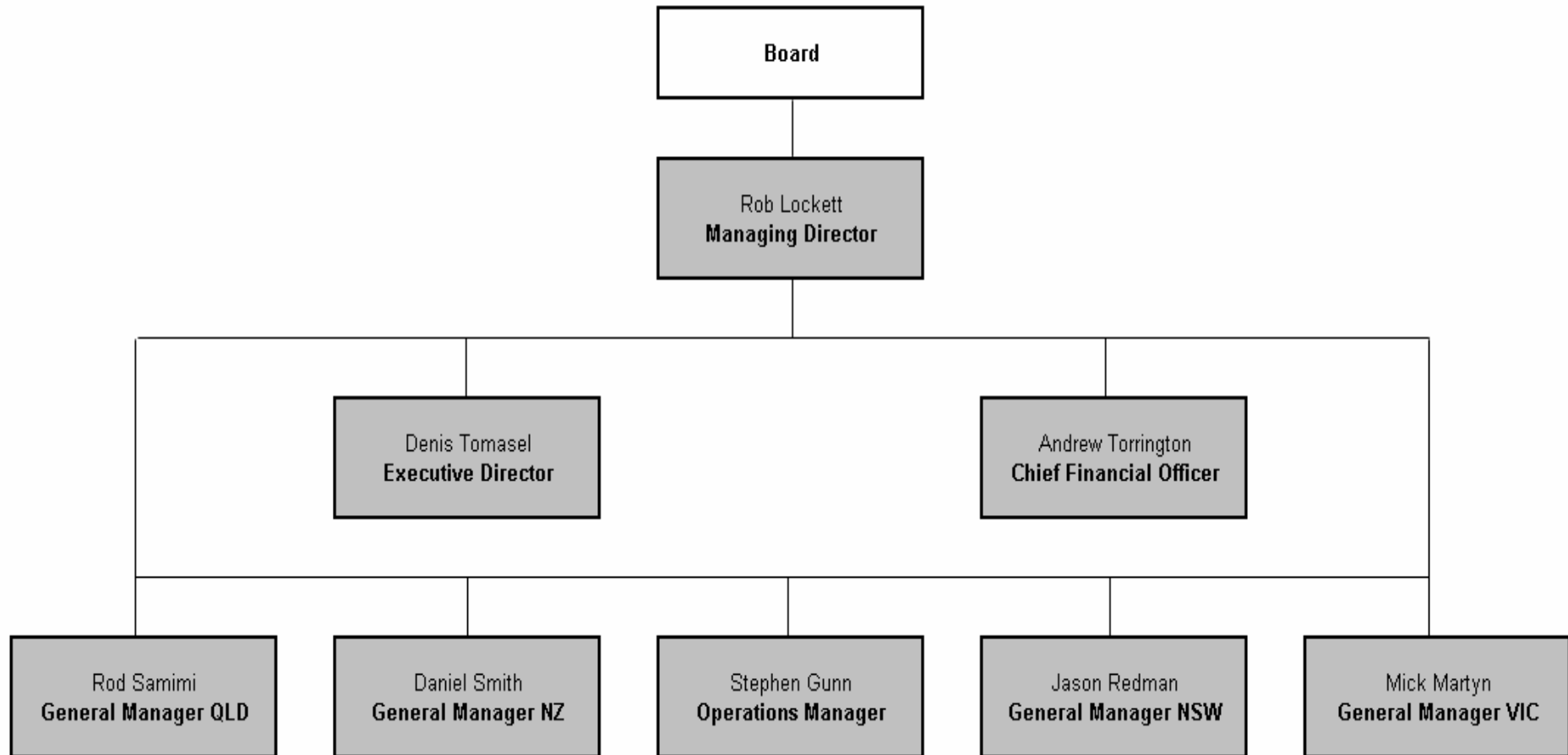


# Revenue Segments

	Australia	New Zealand
Revenue	42.52	7.44
% Wet Hire	79%	48%
% Dry Hire	21%	52%



# Management



# Strategy

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- » Consolidate tower crane and hoist industry by acquisition
- » Increase market share in targeted geographical markets
- » Expand and grow alliances with major construction and engineering companies
- » Transition group competencies across other services and into new sectors



# Outlook

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- » 2006-07 a year of recovery
- » Impact of strategies will be seen in second half of 2006-07
- » Melbourne Convention centre project (\$4.2m revenue)
- » Austexx and Contexx strategic partnership (AUS & NZ)
- » Growing of the Hoist division
- » Potential acquisition in New Zealand





# Questions

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