

CSE GLOBAL LTD

FY2009

RESULTS BRIEFING



*THE FULLERTON HOTEL
26 FEBRUARY 2010*

Customer Satisfaction, Everytime.

Agenda

- **4Q 2009 / FY 2009 Financial Review**
- **FY2009 Business Review**
- **Proposed FY2009 Dividend**
- **Update of Healthcare Business**



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4Q 2009 Highlights

- Managed a strong recovery in 4Q2009

S\$M	<u>4Q08</u>	<u>4Q09</u>	<u>Variance(%)</u>
Revenue	113.8	112.8	↓ 0.9
PAT	8.0	11.5	↑ 43.8
Operating Cash Generation	(0.3)	2.6	↑ 866.7
New Orders	96.6	125.6	↑ 30.0



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4Q 2009 Results

S\$M

	<u>4Q08</u>	<u>4Q09</u>	<u>Variance (%)</u>
Revenue	113.8	112.8	(0.9)
GM (%)	38.4	41.7	8.5
G & A	34.2	33.3	(2.7)
PATMI	8.0	11.5	43.8
Net Margin (%)	7.0	10.3	3.3
<u>Exceptional items</u>			
Writeoff ITA	--	3.8	
FX (gain)/loss	4.1	(0.6)	
Doubtful debt	(0.1)	0.8	
	4.0	4.0	



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FY 2009 Highlights

S\$M

- A satisfying accomplishment particularly during the time of global economic recession and tight credit markets

S\$M	FY08	FY09	Variance(%)
Revenue	441.5	405.1	↓ 8.5
G&A	99.5	98.6	↓ 0.9
PAT	48.3	43.7	↓ 9.5
EPS (cents)	9.65	9.17	↓ 5.0
Operating Cash Generation	19.6	48.4	↑ 46.9
New Orders	425.9	524.4	↑ 23.1



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FY 2009 Results

S\$M

	FY08	FY09	Variance (%)
Revenue	441.5	405.1	(8.3)
GM (%)	37.4	38.9	1.5
G & A	99.5	98.6	(0.9)
PATMI	48.3	43.7	(9.5)
Net Margin (%)	10.9	10.8	(0.1)
<u>Note</u>			
Writeoff ITA	--	3.8	
Interest Expenses	5.7	6.4	
FX (gain)/loss	4.1	(0.6)	
Doubtful debts	(0.1)	0.8	
	9.7	10.4	



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FY2009 Cashflow Management

S\$M

	<u>FY2008</u>	<u>FY2009</u>
Net Borrowing	85.6	53.7
Net Gearing %	79.0	39.3
Op Cash Generation	19.6	48.4
Short Term Debt	117.4	48.5
Long Term Debt	10.8	61.3

Strong operating cash generations



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FY 2009 Group Balance Sheet

S\$M

	<u>9M2009</u>	<u>FY2009</u>	<u>FY2008</u>
Cash at Hand & Bank	63.1	56.1	42.6
Project Net WIP	68.0	86.2	81.7
Receivable	74.0	79.5	96.9
Payable	51.6	61.1	66.8
Loan	117.9	109.8	128.2
Net Loan	54.8	53.7	85.6
Shareholder Fund	128.4	136.7	108.3



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FY 2009 Group Cash Flow

S\$M

	<u>FY2008</u>	<u>FY2009</u>
As at beginning of year	58.9	42.6
New Share Issue / (Shares Buy Back)	(26.5)	--
Net additional investment in subsidiaries & associates	(7.3)	0.4
Net Operations	19.6	48.4
Capital Expenditure	(2.6)	(3.1)
Bank Loans	28.2	(18.4)
Dividends	(22.8)	(14.3)
As at end of year	42.6	56.1



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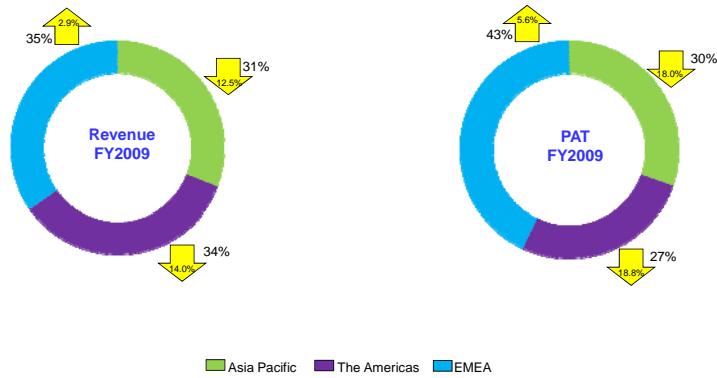
Diversified - Geographical, Business, Industries

- Our overall performance in this difficult environment was largely attributed to our well diversified global and industrial portfolio which has provided some resilience and moderation amidst the global economic crisis



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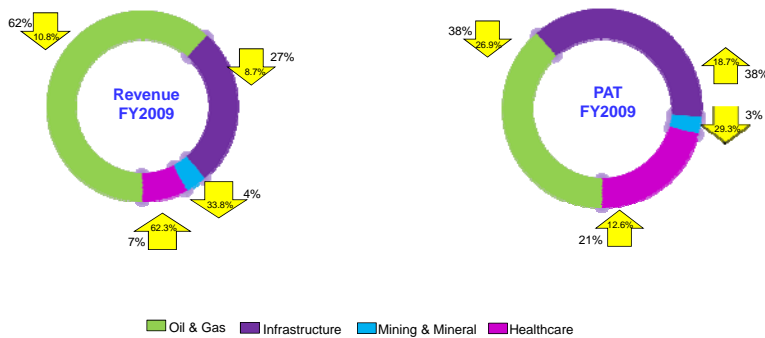
Geographical Segments



CSE global

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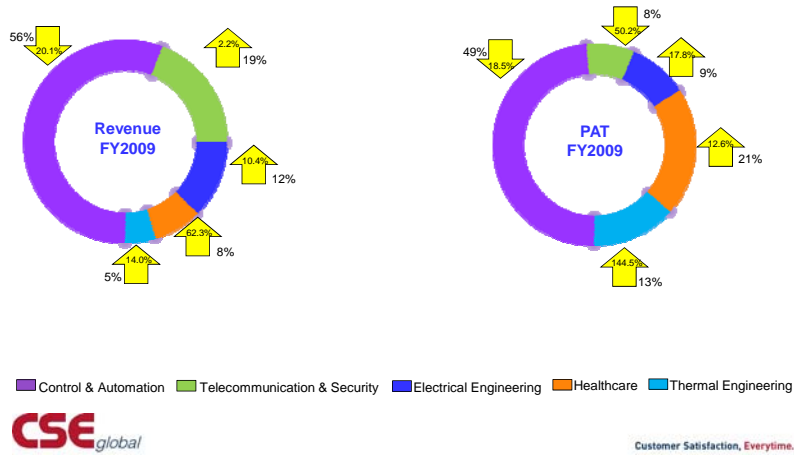
Industrial Segments



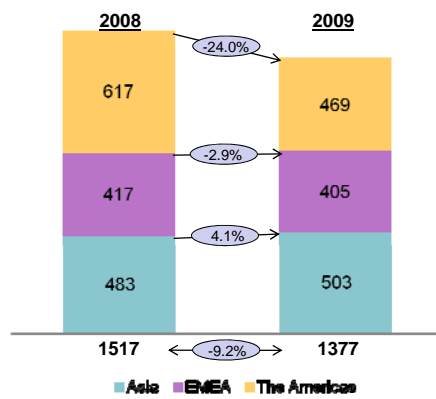
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Business Segments

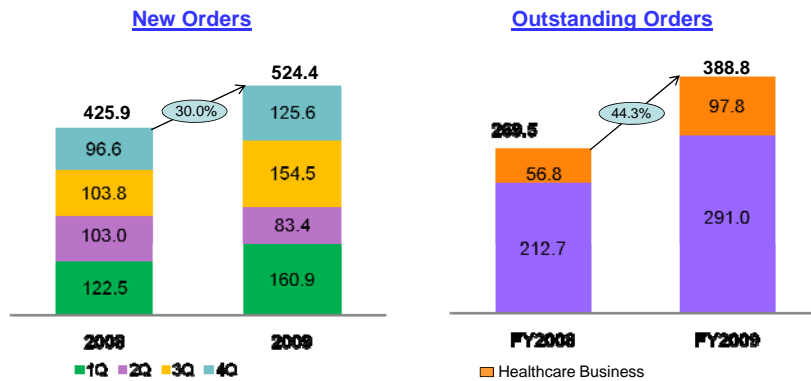


Human Resource



FY 2009 Orders

S\$M

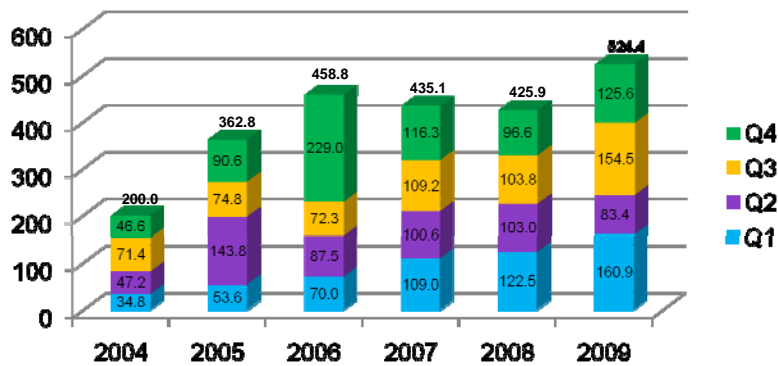


CSE global

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Historical Group Quarterly Orders

S\$M



CSE global

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Historical Performance

S\$M

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenue	198.5	267.3	334.5	404.7	441.5	405.1
GM (%)	32.7	32.7	32.8	36.5	37.4	38.9
PATMI	17.4	22.1	29.1	42.1	48.3	43.7
Net Margin (%)	8.8	8.3	8.7	10.4	10.9	10.8
New Orders	200.0	362.8	458.8	435.1	425.9	524.4
ROE (%)	23.7	25.3	29.8	30.9	44.6	32.0
Op Cash Generation	12.3	6.4	16.8	41.2	19.6	48.5
EPS (cents)	5.14	6.76	5.83	8.33	9.65	9.17



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Operating Capital Efficiency

S\$M

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>Total</u>
Revenue	55.9	105.6	113.9	143.2	169.0	198.5	267.3	334.5	404.7	441.5	405.1	2639.2
PAT	7.8	13.7	4.1	12.1	14.2	17.4	22.1	29.1	42.1	48.3	43.7	254.6
New Capital	14.3	27.1	0.4	18.2	1.6	3.0	3.6	2.6	1.4	(26.5)	--	45.7
Divestment of non-core business / assets	--	2.8	1.0	--	4.4	1.1	2.4	7.6	--	--	--	19.3
CapEx	1.3	7.3	7.5	1.4	1.5	3.6	4.3	3.5	3.3	2.9	3.1	39.8
Acquisition	0.3	79.8	3.8	19.6	7.5	19.5	10.3	30.7	3.9	8.9	0.0	184.3
Dividend	--	--	--	--	2.4	5.1	6.5	8.3	11.8	22.8	14.3	71.2

65.0

295.2

* Net borrowing @ FY2009 = S\$53.7M
 Net gearing @ FY2009 = 0.393
 Cash Generation (295.2-65.0-53.7) = S\$176.5M



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2010 Business Outlook

- Good orders received from the oil & gas sector, both in upstream and downstream, in 2009
- The downstream oil & gas activities are still buoyant in Middle East and Africa
- Seeing recovery in the Mining and Mineral activities in Australia and future opportunities for the LNG and CSG projects remain encouraging
- Thermal Engineering business will continue to perform well; seeing increasing opportunities in carbon activation and charcoal applications
- Healthcare business also continue to perform well with the existing orders on hand, and will continue to work on other opportunities for the healthcare business in UK
- Strong outstanding order of S\$388.8M and together with the steady flow of brown field business will enable the group to deliver a good performance in 2010
- Continue on strong operating discipline with a focus on cost control and cash management



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Proposed Dividends

<i>cents</i>	<u>2008</u>	<u>2009</u>
Interim	1.0	--
Final	3.0	3.5
	4.0	3.5
Total Payable (\$K)	19,331	16,662
Payment date	6 May 2010	
Book Closure	27 April 2010	



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CSE Healthcare

History

1994	CSE Enters Healthcare Market with InteHealth – Successful in Mental Health, Developing Child Health and Community
2001	- InteHealth is end life – CSE Global authorises and funds the initial development of RiO - RiO Development Site won, Mental Health
2002	- RiO Community Site Won - National Programme for IT commences – no more procurements in England
2002 - 2005	RiO survives on upgrades and systems outside of the National Programme
1994 - 2005	A total of 16 RiO Systems Installed – Revenue SG\$3m to SG\$ 4m / year – profitable, but only just



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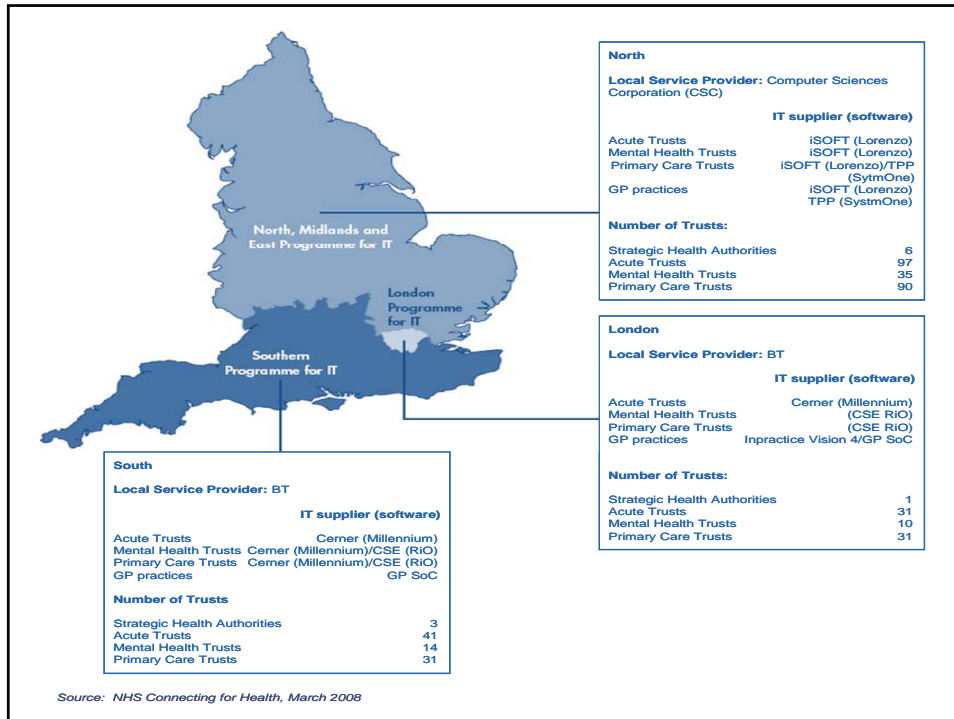
CSE Healthcare

What has the National Programme Done for CSE?

2005	Initial Programme with BT – 41 Trusts for Deployment by the end of 2011, with Service to continue until 2015
2008	National Programme beginning to fail - iSoft Lorenzo not available - Cerner Millenium difficult to deploy - Mental Health competition destroyed - Community Health – TPP is now the competition.
2009	CSE awarded 25 Trusts in the Southern Cluster as part of the BT Contract
At the start of 2010	CSE has : -16 Systems from prior to the National Programme - 66 Trusts as part of the National Programme - 5 Other Implementations installed outside of the National programme



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CSE Healthcare

	<u>Number of Trusts</u>	<u>Trusts Implemented By Others</u>	<u>Trusts Implemented By CSE</u>	<u>Opportunity Size</u>	<u>Threats</u>
North					
Acute	97	6	0	91	Isoft +
Mental Health	35	0	4	31	NPiIT
Community	90	24	0	66	NPiIT / TPP
London					
Acute	31	6	0	25	Cerner+
Mental Health	10	0	10	0	None
Community	31	0	31	0	None
South					
Acute	41	8	0	33	Cerner+
Mental Health	14	0	12	2	Limited
Community	31	2	13	16	TPP



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CSE Healthcare

Current Contract with BT for implementation ends Dec 2012.

So What Drives the business forward and beyond 2012?

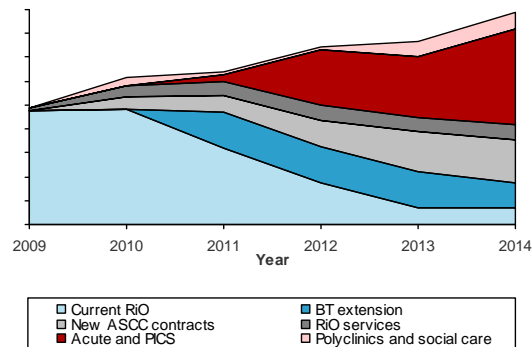
- ❑ CSE are currently negotiating a contract extension for the 66 BT Trusts with further deployments and configuration services until the end of 2015
- ❑ CSE are targeting Mental Health Trusts in the North, outside of the NPfIT e.g. Bradford
- ❑ CSE has just been selected with TPP, Alert, In4Tek to bid for the remaining PCTs in the South
- ❑ The Acute market is not moving forward and the "reset" will mean that acute trusts will not have Cerner or iSoft delivered, creating an opportunity for Oceano, our Acute product. CSE are working on the entry and growth plan
- ❑ E-Prescribing does not form part of the National Programme and CSE has signed an exclusive distribution agreement with the University Hospital of Birmingham to market and distribute "PICS" which is a clinical decision support system for drug administration
- ❑ Agreement signed with Emis and INPS (largest two GP suppliers) to integrate our systems to strengthen market offering against TPP
- ❑ Seeking an Acute acquisitions), probably in the UK to speed and ease market entry for Oceano.



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CSE Healthcare

Business Profile 2009 to 2014



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Types of Healthcare Systems

- ❑ Acute
- ❑ General Practice (GP also known as Primary Care)
- ❑ Mental Health
- ❑ Community inc Child Health (in UK known as Primary Care Trusts)
- ❑ Polyclinic – A combination of GP and Community



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CSE Healthcare

- ❑ Acute – Short Duration Patient Stay
 - Accident & Emergency
 - X-Ray
 - Theatre
 - Laboratory Systems
 - Other Department Dependent Upon Hospital
 - e.g. Oncology

 - Main System – Patient Administration (PAS)
 - Patient Database
 - Waiting List
 - Bed Management

 - Sub Systems
 - Electronic Patient Record
 - Order Comms – moving data between systems e.g. requesting tests
 - E-Prescribing
 - Reporting
 - Finance



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CSE Healthcare

- General Practice (GP also known as Primary Care)
 - Your doctor
you go there when you have flu or a medical condition . Designated by the government for you
 - Output
take two aspirin
here is a prescription
a referral to another provider e.g. Acute / Mental etc
 - Systems
Patient Record
Prescribing
Order Communications – order a lab test



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CSE Healthcare

- Mental Health - Long Patient Stay or Treatment – Often for Life
 - You are referred, self refer or you are sectioned by two doctors
 - Main System
Patient Administration (PAS)
Patient Database
Waiting List
Bed Management
 - Sub Systems
Electronic Patient Record (but designed for long patient history)
Assessments & Care Plans – for long term treatment
Order Comms – moving data between systems e.g. requesting tests
E-Prescribing
Reporting
Finance



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- Community inc Child Health (in UK known as Primary Care Trusts)
 - Care in the Community many services delivered by a PCT
District Nursing, Midwifery, Dietary, Child Developmental Checks
Vaccination & Immunisation Programmes especially child e.g. MMR
 - Main System
Patient Administration (PAS)
Patient Database
 - Sub Systems
Electronic Patient Record (but designed for long patient history)
Assessments & Care Plans – for long term treatment
Order Comms – moving data between systems e.g. requesting tests
Reporting
Finance



Customer Satisfaction, Everytime.

	GP	Acute	Polyclinic	Mental Health	Community
PAS					
Patient Database	X	X	X	X	X
Waiting List		X		X	
Bed Management		X		X	
Departmental Systems		X			
Electronic Patient Record	X	X	X	X	X
Assessments & Care Plans					
Long Duration Care			X	X	X
Short Duration Care		X	X	X	X
Prescribing	X	X		X	
Order Communications	X	X	X	X	
Reporting		X	X	X	X
Finance		X	X	X	X
Immunisation			X		X
Walk In / A&E		X	X		X