



1H 2011 Results Presentation

Fullerton Hotel - 12 August 2011

Agenda

- 2Q 2011 Overview
- 1H 2011 Financial Review
- Business Outlook

2Q 2011 Overview

CSE Recorded a quarter loss of S\$7.0m after making a S\$21.7m provision for cost overruns in four Middle East Telecommunications projects.

Telecommunications business also had other operational losses (S\$3.8m)

TransTel MD resigned and a MD has been appointed

Overall the rest of the CSE Group is performing very well.



2Q 2011 Overview

USA – good order entry, a little behind budget at the profit level.

UK – ahead of budget but a little behind on orders

Middle East – Cost Overruns

Asia – a little behind budget in terms of profit and orders

Australia – well ahead of budget.

2Q Financial Performance

S\$M	2Q10	2Q11	Change
Revenue	110.3	101.6	(7.9%)
Provision	-	21.7	-
Gross Margin (%)	38.8	36.6	(5.7%)
Profit after Tax Before Provision	15.0	11.0	(26.5%)
Profit after Tax	15.0	(7.0)	NM
New Orders	116.4	109.7	(5.8%)
Outstanding Orders	426.9	395.9	(7.3%)

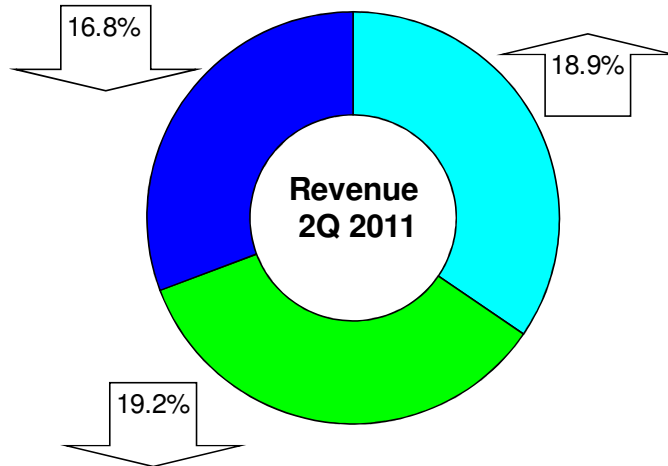
2Q 2011 FX Movement

	2Q/10	2Q/11	Variance (%)
USD/SGD:	1.3842	1.2383	(10.54)
GBP/SGD:	2.0586	2.0111	(2.31)
AUD/SGD:	1.2229	1.3143	7.47
EUR/SGD:	1.7658	1.7756	0.55

2Q11 Performance by Geographical Region

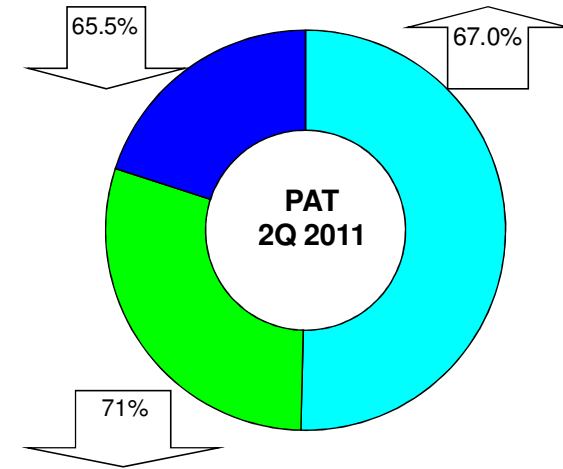
The Americas
Revenue S\$34M
of Group 34%

Asia Pacific
Revenue S\$35.6M
of Group 35%



The Americas
PAT S\$1.6M
of Group 14%

Asia Pacific
PAT S\$7.8M
of Group 71%

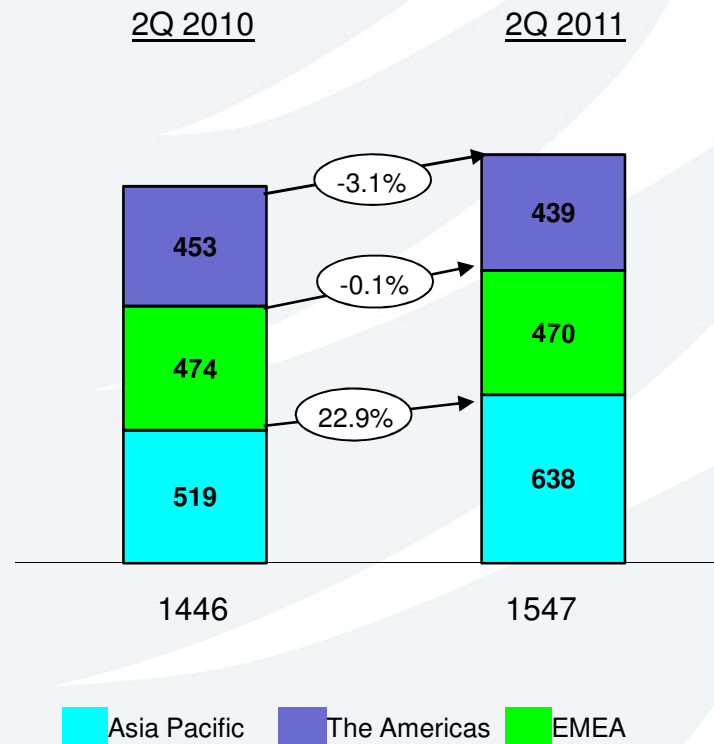


EMEA
Revenue S\$32M
of Group 31%

EMEA
PAT S\$1.7M
of Group 15%

Excluding the provision for project cost overruns

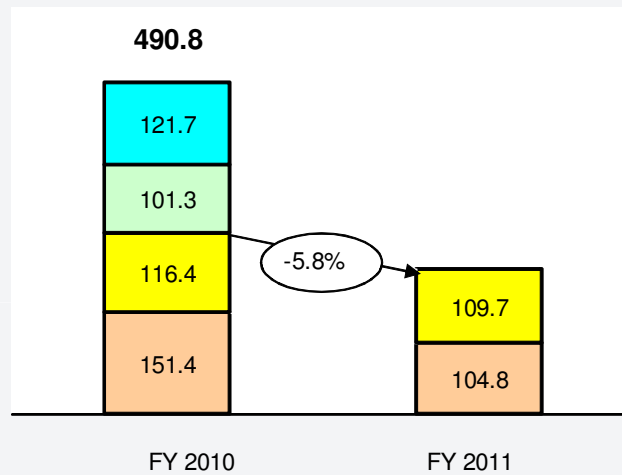
Human Resource Growth



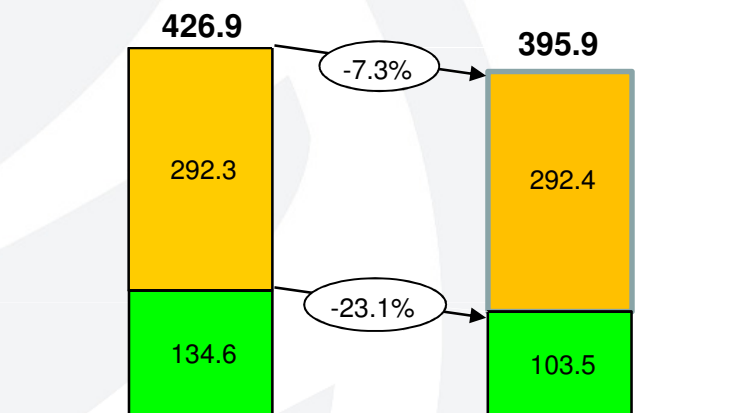
* Astib acquisition in January 2011 (102 staff)

2Q 2011 Orders

New Orders



Outstanding Orders



1Q
2Q

3Q
4Q

Healthcare Business
Other Business

1H 2011



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1H2011 Financial Performance

S\$M	1H10	1H11	Change
Revenue	211.1	204.2	(3.2%)
Provision		21.7	
Gross Margin (%)	38.8	38.8	0%
Profit after Tax Before Provision	26.3	23.6	(10.4%)
Profit after Tax	26.3	5.5	(79.0%)
New Orders	267.8	214.5	(19.9%)
Outstanding Orders	426.9	395.9	(7.3%)

1H 2011 FX Movement

	1H/10	1H/11	Variance (%)
USD/SGD:	1.3930	1.2577	(9.71)
GBP/SGD:	2.1298	2.0358	(4.41)
AUD/SGD:	1.2482	1.2976	3.96
EUR/SGD:	1.8474	1.7663	(4.39)

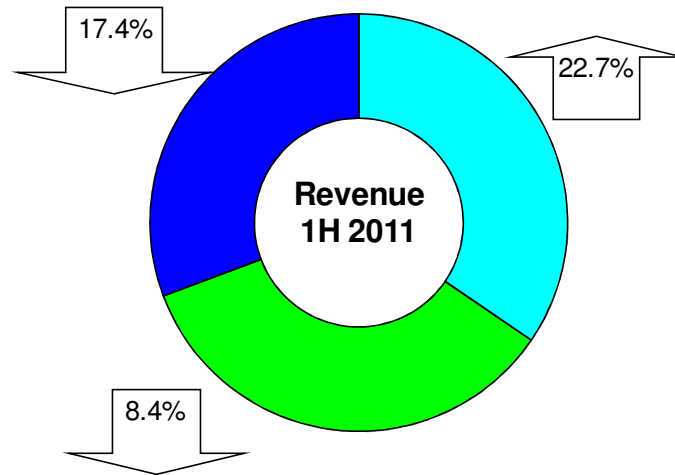
1H11 Performance by Geographical Region

The Americas
Revenue S\$65.5M
of Group 32%

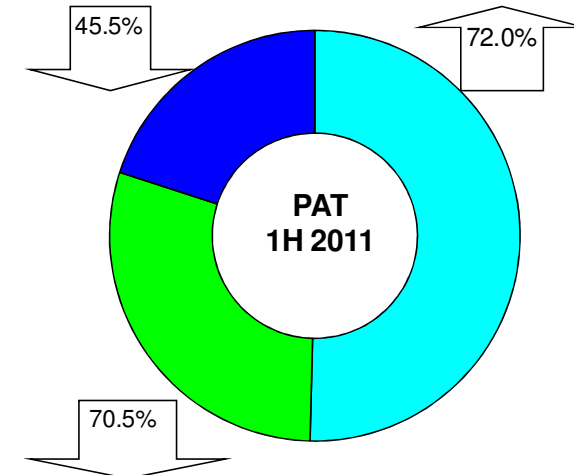
Asia Pacific
Revenue S\$71.1M
of Group 34%

The Americas
PAT S\$5.2M
of Group 22%

Asia Pacific
PAT S\$14.9M
of Group 63%



EMEA
Revenue S\$67.6M
of Group 33%



EMEA
PAT S\$3.5M
of Group 15%

Excluding the provision for project cost overruns

1H 2011 Group Cashflow

S\$M	1H/11	1H/10
As at beginning of the quarter:	58.4	49.4
Proceeds from Sale of Treasury Shares:	0	37.9
Proceeds from Sale of Ordinary Shares:	6.0	0
Dividends Pay out:	(20.6)	(17.9)
Net additional investment in subsidiaries & associates:	(39.4)	(18.2)
Net Operations:	3.8	21.6
Capital Expenditure:	(1.5)	(2.5)
Bank Loans:	62.4	(5.3)
Net effect of FX on cash:	(2.0)	(2.4)
As at end of quarter:	67.1	69.3

2Q 2011 Group Balance Sheet

S\$M	2Q/11	4Q/10
Cash at Hand & Bank:	67.1	58.4
Project Net WIP:	89.0	91.3
Receivable:	87.1	81.4
Payable:	58.8	74.3
Loan:	120.8	58.4
Net Loan:	53.7	-
Shareholder Fund:	177.8	195.20
Net Gearing (%):	30.2	-

Outlook



America Automation

Despite the financial woes of the USA, the demand for oil and gas continues. The gulf “leak” delayed major project work, but T&M revenues held up and there was a definite switch to on-shore projects. Q2 project order entry recovered and we ended Q2 ahead of budget in terms of order entry which will feed through in the second half.

Environmental

After a long wait the first order in the region has been received (US\$2m). We expect additional orders in the 2nd half of 2011 and into 2012 from both USA and South America.

Europe Automation

The economic slow down slowed order entry, but with Brent Crude remaining over US\$100 activity continues so we are experiencing a growing confidence that order entry will recover in the second half. The focus on Oil & Gas and Power continues to be the correct market positioning. Our Semaphore RTU business continues to receive substantial order entry from its local market.

The expectation is that order entry for our Infrastructure business (CSE-Servelec) will improve as the Water Companies try to catch up with their AMP5 spending programme.

Europe

Healthcare

So much is happening in Healthcare, but so little happens as the Government reviews its Healthcare strategy the end of which will be a benefit to CSE. In the interim we have secured two Acute ED orders and our first Community RiO order outside of the National Programme, since the Programme started. RiO V6 (Release 1) has gone live in London securing the planned cash flow for 2011 from the deployment programme. Sales activity is very high as the anticipation of the end of the Programme heightens.

Middle East Automation

Our market share in the Middle East is very small and this remains impacted by the ongoing Middle East “Crisis”. However we are seeing an increased level of sales enquiries as essential work still has to be done.

Telecommunications

The four problematic projects, will be materially completed in the second half and new order entry from the region is significant and this will have a positive impact on 2011 numbers. The restructuring of this business will improve the second half performance and create a profitable 2012.

Asia

Automation

The prospects for the export of road tolling continue to improve. The pilot system in China is operational and is successfully generating revenues. Our system in Singapore continues to be expanded and we are following enquiries for Malaysia and Indonesia.

Environmental

The drought in orders is over as we have received our first order from China. Some of the long anticipated orders will be received in 2011 together with further orders in 2012. These will be material, in the range of US\$5..\$15m per system.

Australia

The general economic gloom that is pervading the Australian consumer market is not effecting our market areas which are Mining and Oil & Gas which continue to grow.

Automation

Our automation business has seen an excellent first half with orders on or above budget, dependent upon the product range. The anticipation is that although this may slow in the second half, we anticipate completing 2011 well ahead of the budget figures.

Australia

Telecommunications

Our rental business is growing and we are investing in additional sales resources to follow up on new client enquiries and expand into different geographies outside of Perth.

The TransTel business is working on a number of large enquiries in conjunction with our Singapore business and we are optimistic that our efforts will result in a significant win. In parallel we are seeing success in a number of small project wins.



Business Outlook

Our Strategy for growth remains the same and we continue to search for an Automation business to augment CSE Global Australia to tap into this growth potential of the Australian market.

As previously advised; whilst the Middle East continues to be a key market for CSE, our planned acquisition and growth in the region has slowed our progress. We are now factitively searching for an acquisition in the Middle East in line with our strategy.

We continue our focus on operation discipline with a focus on cost control and cash management to achieve our desired financial performance.

Summary

However we should consider that we have a very successful, global diverse business that is operating well in all divisions and regions apart from Middle East Telecommunications.

Adding back the S\$3.8m PAT loss from our Telecommunications business , even at break even would have produced a very satisfactory result for the quarter.

Whilst we work through the losses in our ME Telecommunications business unit we must not lose sight of our overall goals and focus on all our markets sectors to ensure that the return on investment is delivered and our growth plans across the other areas of our business are achieved.

The strong Telecommunications order entry of US\$69m already announced together with Environmental orders and other good order potential will provide a solid second half.

Transtel will be profitable in 2012 and give a positive recovery to the Group.

Questions

Thank You

Any Questions

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