



2010 Rising Stars Microcap Conference

KONEKT LIMITED

ASX- KKT

Presented by Serhat Oguz (CEO)

SYDNEY HILTON, 10 of June 2010



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Our Mission

To be partner of choice in organisational health and risk management through:

- The provision of workplace safety and injury management solutions established through expertise, knowledge, partnering, innovation and technology to create superior value to our customers
- The engagement, continual development and growth of our people in an inspiring and rewarding environment
- Maximising return to shareholders whilst being mindful of our overall responsibilities to the community, our staff, and our customers

Agenda

-  **CO** Company Overview
History – then & now
-  **CS** Current Situation
Achievements this year
-  **SD** Strategic Direction
What is the strategy?
-  **E** Execution
How will we execute?
-  **O** Outlook
For 09/10 full year



The Konekt Story – Where it all began

The company was launched as Konekt (KKT) in **October 2003** following its listing on the Australian Stock Exchange. From October 2003 to July 2005, Konekt acquired four occupational rehabilitation companies:

- Countrywide Injury Management (CWIM)
- WIMS Injury Management Services (WIMS)
- IRS Total Injury Management (IRS)
- Inergise

These acquisitions gave Konekt a nationwide geographical coverage and over 300 experienced employees.

From 2005 to present, Konekt has concentrated on differentiating itself from traditional occupational rehabilitation providers by diversifying into a number of different service lines, Konekt Containment, Konekt Safe, Konekt Response, Konekt Recovery, and Employment Konektions. These service lines address the breadth of services offered in the area of occupational care, prevention of injury, rehabilitation and risk management



Konekt Customer Coverage

Markets

- Workers Compensation
- O H & S
- CTP
- Income Protection
- Risk Management

Customers

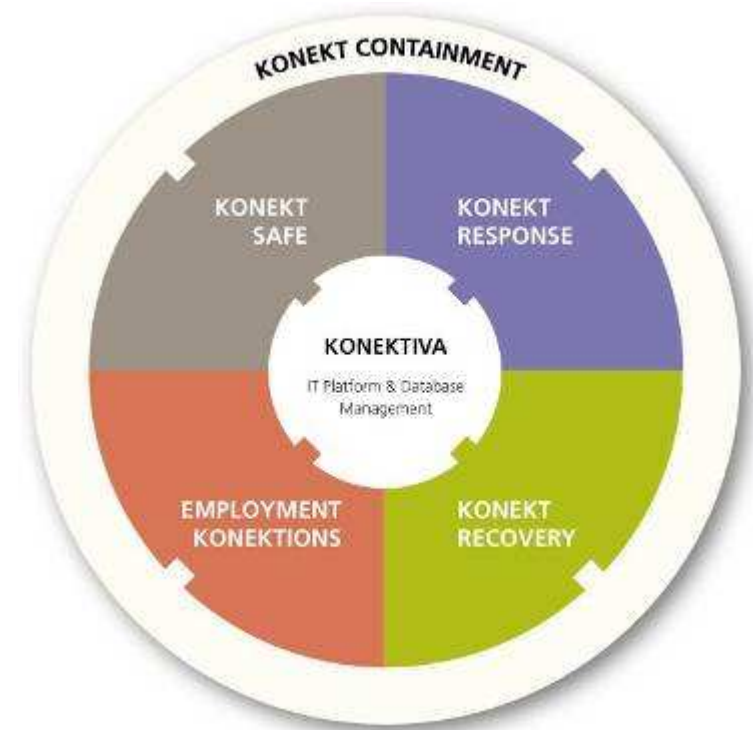
- Insurance Companies
- Claims Agencies
- Government
- Risk Managers
- Employers



Konekt takes a holistic approach to the various aspects of a business. We recognise that numerous often isolated elements are intimately connected in the delivery of a healthy and productive workforce. Our integrated solutions approach allows us to help businesses control and reduce their costs.

Our range of solutions include:

- Injury prevention – Konekt Safe
- Incident management – Konekt Response
- Injury management – Konekt Recovery
- Job placement services to different employers – Employment Konektions
- Risk management and policy – Containment





KONEKT SAFE

Our injury prevention services include:

- Pre-employment screening
 - Functional Capacity Assessments
 - Psychological Assessments
 - Drug and alcohol screens
 - Medical review
 - Centralised Pre-employment coordination
- Training and education
 - Manual handling, ergonomics, OHS
- Employee Health management
- Corporate health programs
- Policy & Procedure development
- DeskActive – employee self managed safety and wellbeing software



Our incident and injury management services include:

- Early injury reporting
- Information collection and analysis
- Injury management book
- Initial workplace conference - IWC
- Psychological incident management
- Work flow co-ordination



KONEKT RECOVERY

- Our injury management services include:
- Injury management consulting
- Functional assessment
- Worksite assessment
- Ergonomic assessment
- Section 40 assessment
- Rehabilitation and disability counselling
- Return to work services for physical and psychological injuries and illness



EMPLOYMENT KONEKTIONS

Our job placement services for injured workers include:

- Employability assessment
- Individual job seeking assistance
- Job seeking programs
- Transferable skills analysis
- Vocational assessment and counselling
- Job skills workshop
- Open access programs



Containment

A workplace integrated business solution that enables employers to take control of and manage their workers compensation operations successfully.

- Identification of cost drivers and liabilities associated with workers compensation
- Development of risk management strategies
- Business process reengineering
- Training and education
- Wage reimbursement reconciliation
- Statistical analysis
- Industry benchmarking
- OHS Management services
- Workers' Compensation Management services
 - Premium Management
 - Claims Management

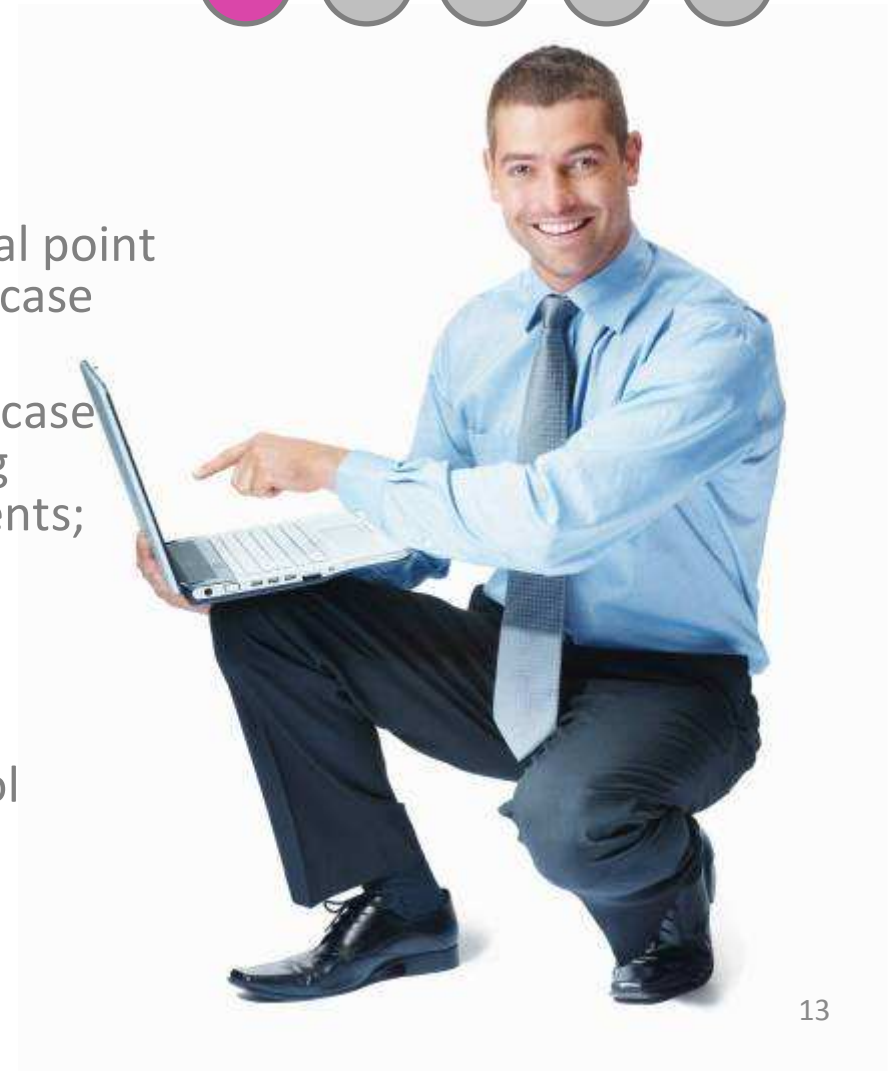


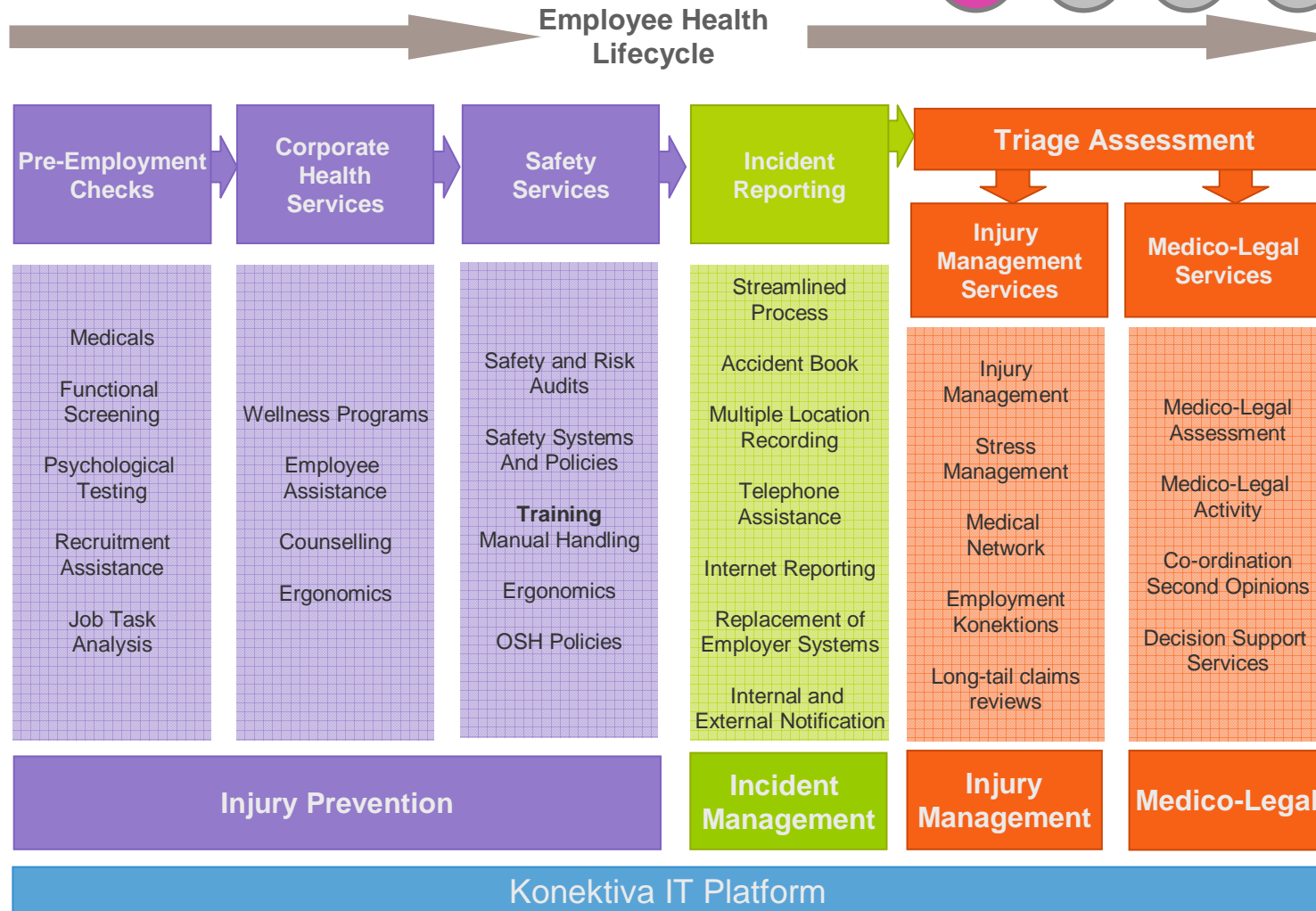
Konektiva

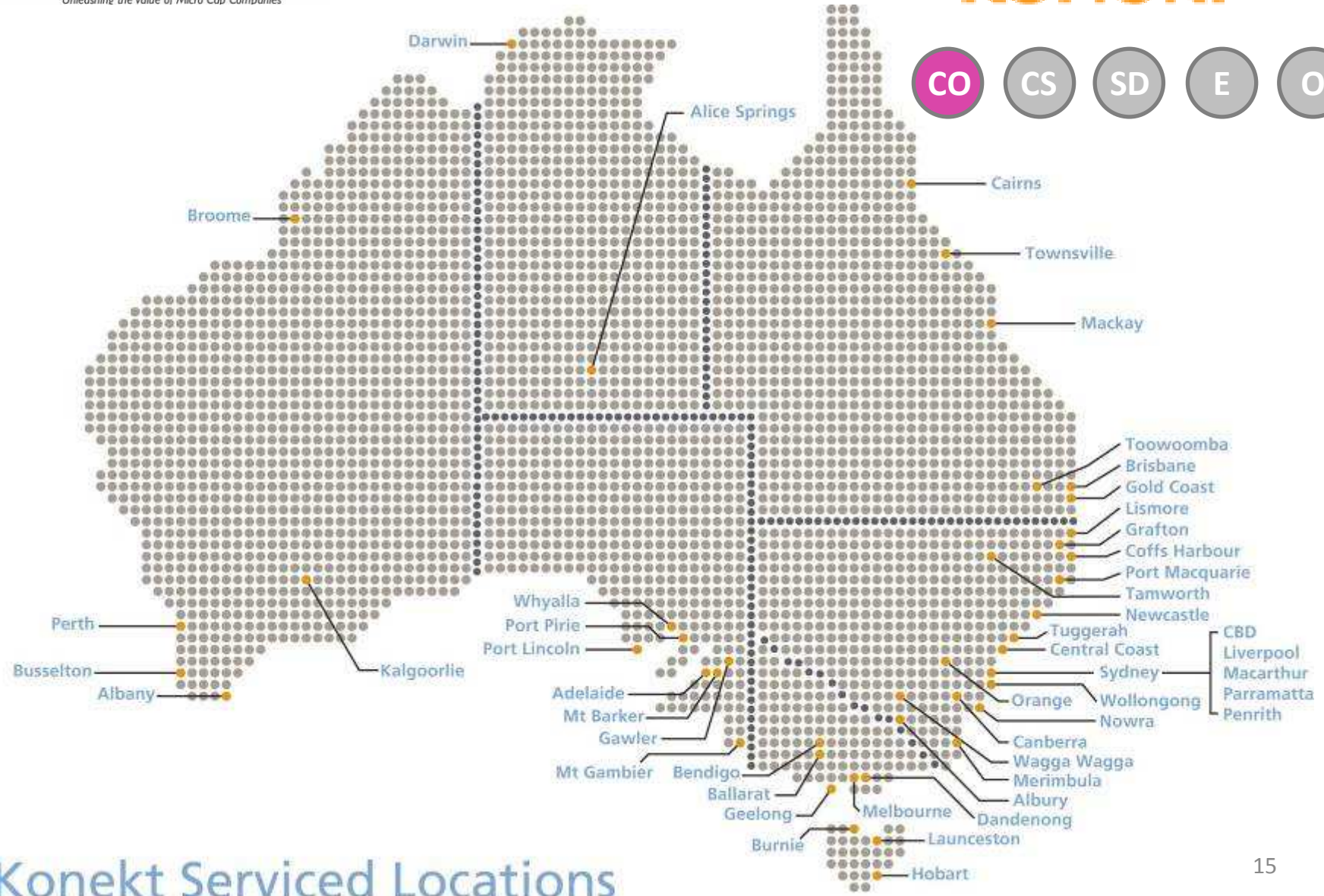
Konektiva is a secure, web based, health management system that provides a central point for all client and customer interaction and case information.

Designed to provide real time access to all case information, Konektiva allows clients to log referrals on line, access essential assessments; incident and injury data as required.

- Driven by agreed business rules
- Hierarchical access
- 24/7 reporting and communication tool
- Provides complete visibility of all cases







Konekt Serviced Locations

Agenda



Company Overview

History – then & now



Current Situation

Achievements this year



Strategic Direction

What is the strategy?



Execution

How will we execute?



Outlook

For 09/10 full year

Financial Performance

Investor Relations

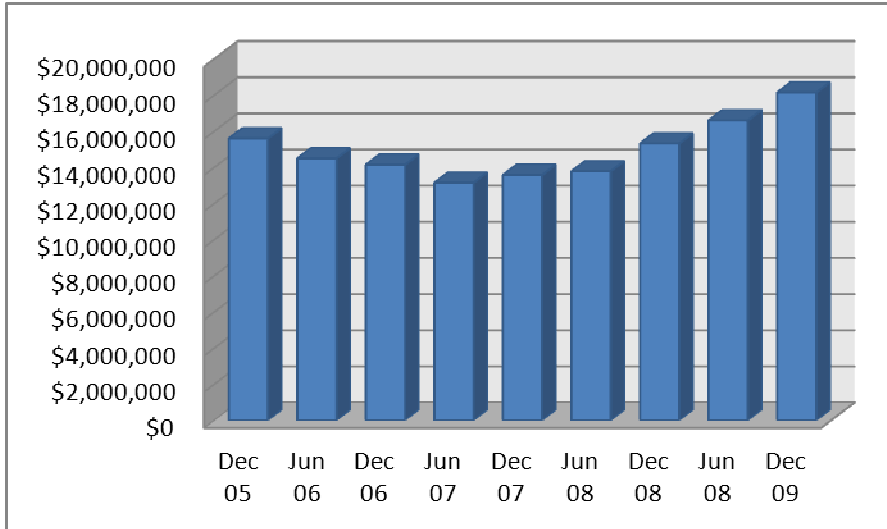
Internal Initiatives

New Offerings

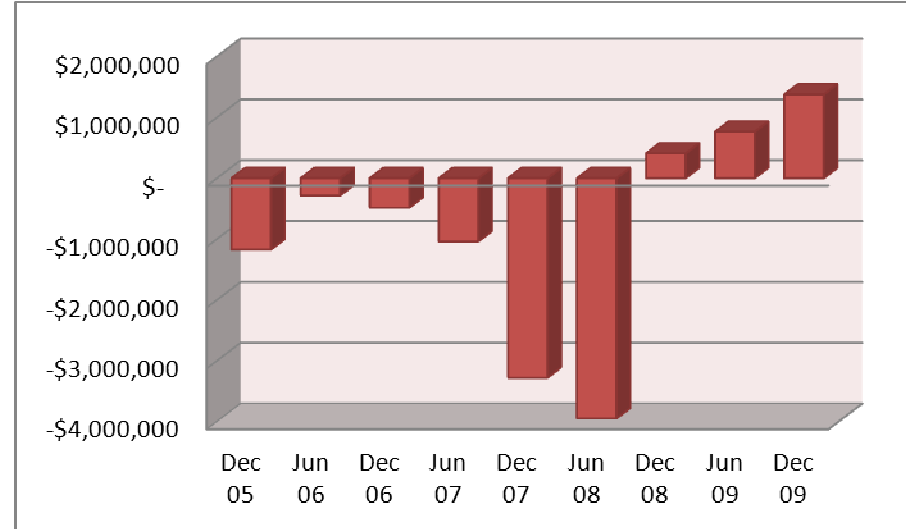
Financial Performance



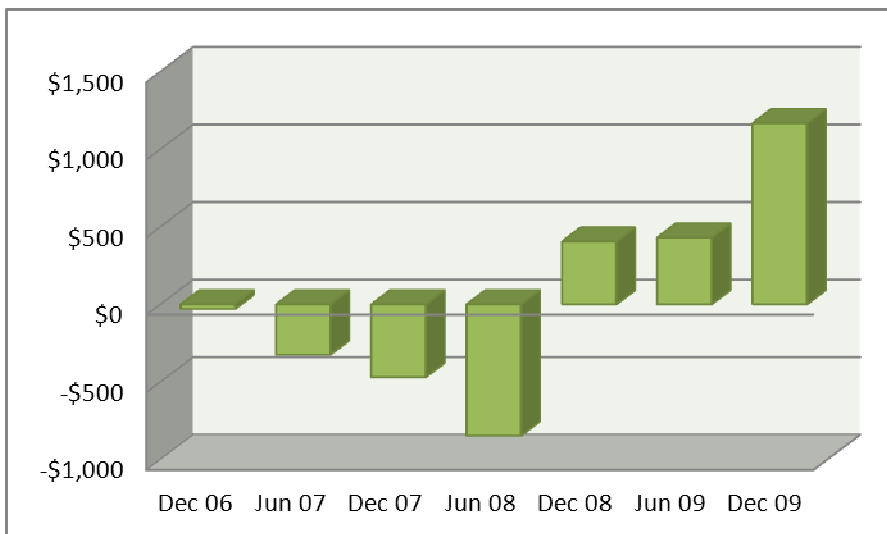
Revenue – Six Monthly [Dec 05 – Dec 09]



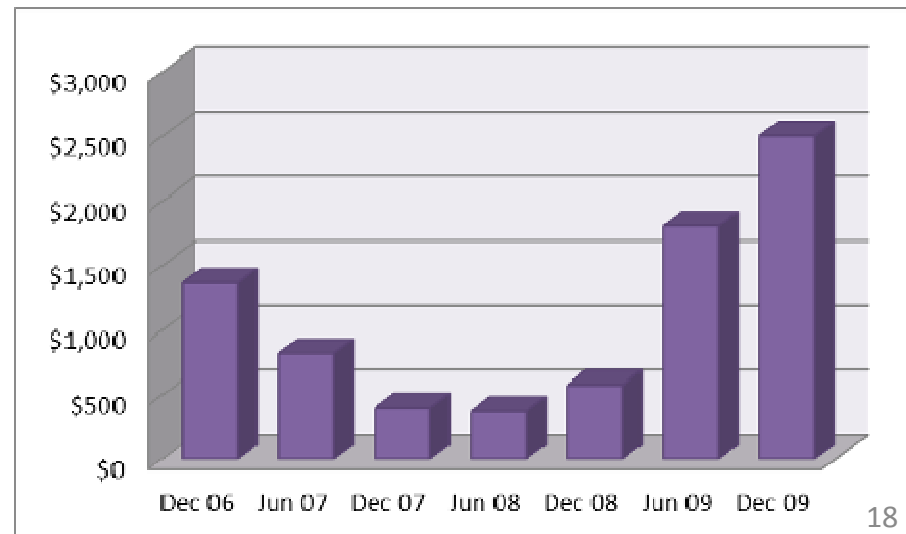
EBIT – Six Monthly [Dec 05 – Dec 09]



Cash Flow From Operations – Six Monthly [Dec 05 – Dec 09]



Available Funds – Six Monthly [Dec 05 – Dec 09]



Financial Performance

Performance for the period July 07 – Dec 09

	Value Drivers	Measures	FY08	FY09	Half Year* Dec 09
Shareholder Value	Revenue Growth	Revenue (\$m)	27.3	32.3	18.1
		Growth (%)	0	19.0	
	Operating Margin	EBIT (\$m)	(7.2)	1.2	1.4
		EBIT (%)	(26.4%)	3.8	7.9%
	Cash	Cash flow from operations	(1.3)	0.9	1.2
		Available cash	0.4	1.8	2.5
	EPS	EPS (Cents)	(13.2)	1.8	1.9

*Half Year



Financial Performance

Summary Results for the 6 Months to 31 December 2009



	Six Months ended 31 December 2009 \$000s	Six Months ended 31 December 2008 \$000s	Increase/ (Decrease)	% Change
Revenue from Services	18,126	15,652	+2,474	+15.8%
Profit/(Loss) before interest and tax ("EBIT")	1,434	521	+913	+175.2%
Interest expense	(56)	(112)	(56)	-50.0%
Profit Before Tax	1,378	409	+969	+236.9%
Income Tax Expense	-	-	-	
Net Profit/(Loss) attributable to members ("NPAT")	1,378	409	+969	+236.9%
Earnings Per Share	1.96	0.7		

Key Achievements

Financial Performance

Investor Relations

Internal Initiatives

New Offerings



Investor Relations

Agenda

- **Investor relations strategy**
- Share price growth
- KKT liquidity and comparatives to other microcaps



Investor Relations



Investor Relations strategy

- Aimed at ensuring maximum visibility of KKT stock
- Appointed Intersuisse as Brokers
- Commissioned analyst report (Completed Dec09)
- Regular media releases to ensure market is kept up to date
- Press coverage by AFR, BRW article
- Revamped website, much more friendly around customer and shareholder needs



Investor Relations



Agenda

- **Investor relations strategy**
- Share price growth
- KKT liquidity and comparatives to other microcaps



Investor Relations



Agenda

- **Investor relations strategy**
- Share price growth
- KKT liquidity and comparatives to other microcaps



Investor Relations



KKT liquidity and comparatives to other microcaps

- Due to successful financial growth and our investor relations strategy, liquidity has grown from 21% in 2008 and 19% in 2009 to 50% in the current year.
- A sample of 24 micro stocks returned an average of 34%, making our performance of approximately 50% better

Key Achievements

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Internal Initiatives



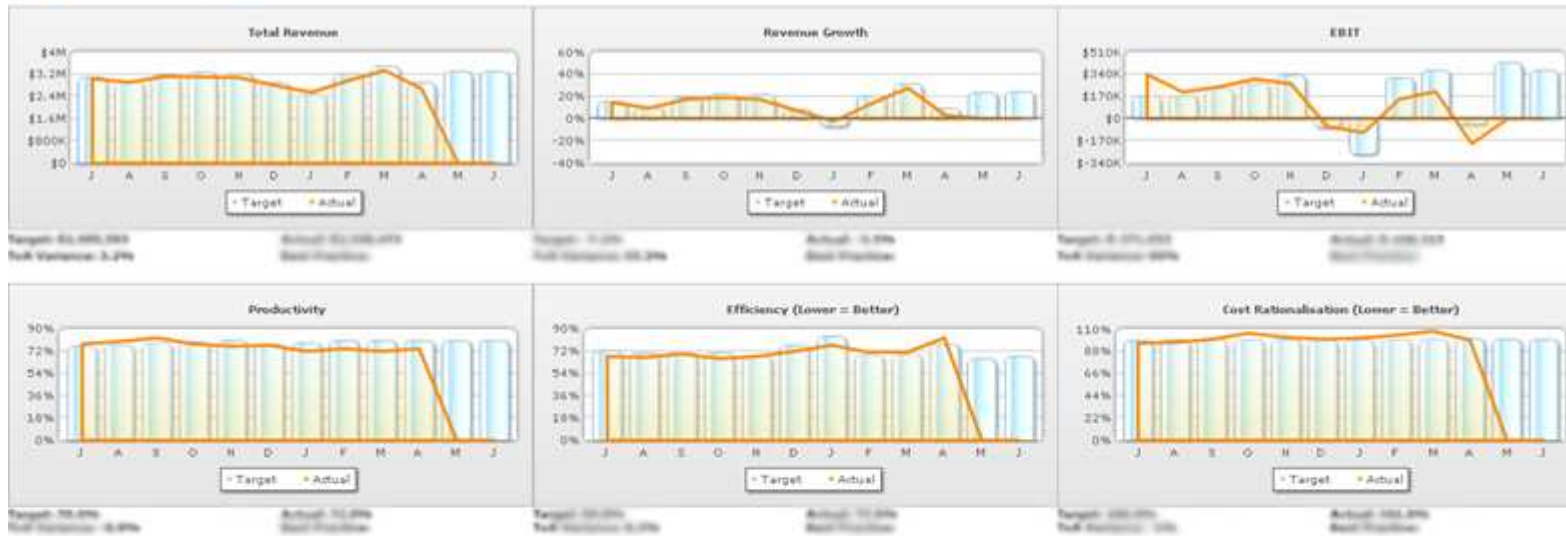
- Implementation of balanced scorecard
- Staff retention assisted by employee share plan (ESP)
- Annual employee engagement survey completed for the second year

Balance Scorecard



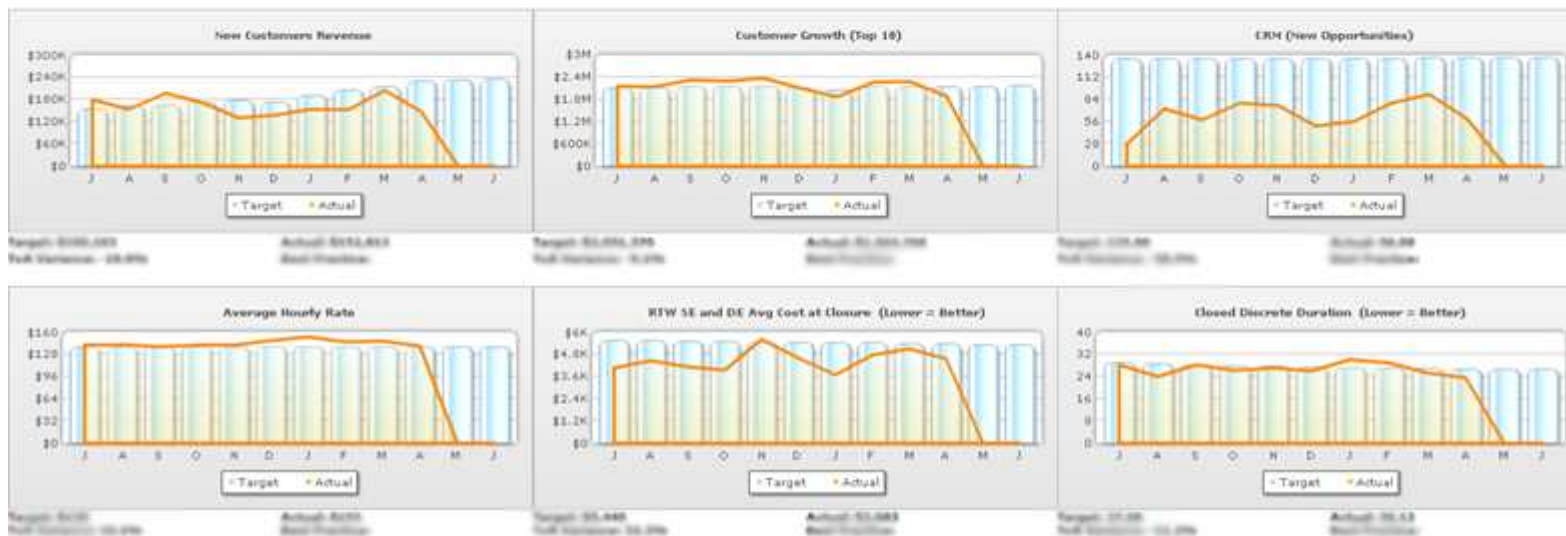
FINANCIAL PERSPECTIVE

The Total BSC Score For National (All Regions) region on Jan 10 is 6.38



Jan 10 FINANCIAL
6.38
Positive Development

CUSTOMER PERSPECTIVE

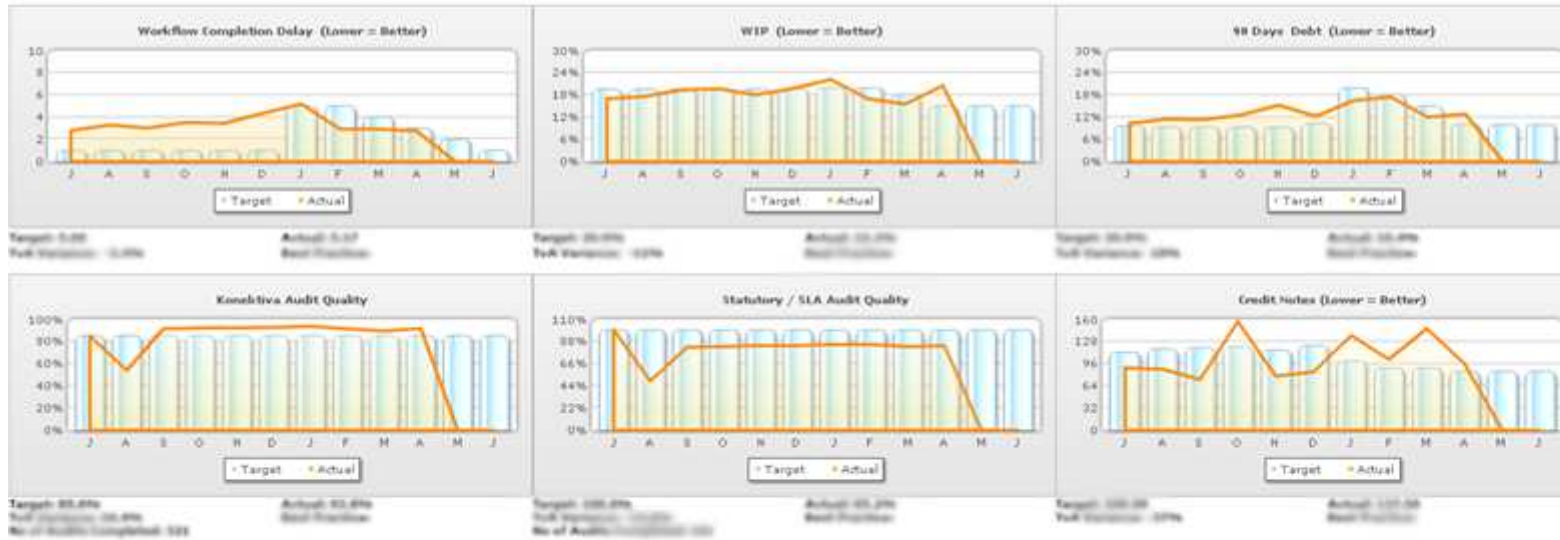


Jan 10 CUSTOMER
6.38
Negative Development

Balance Scorecard

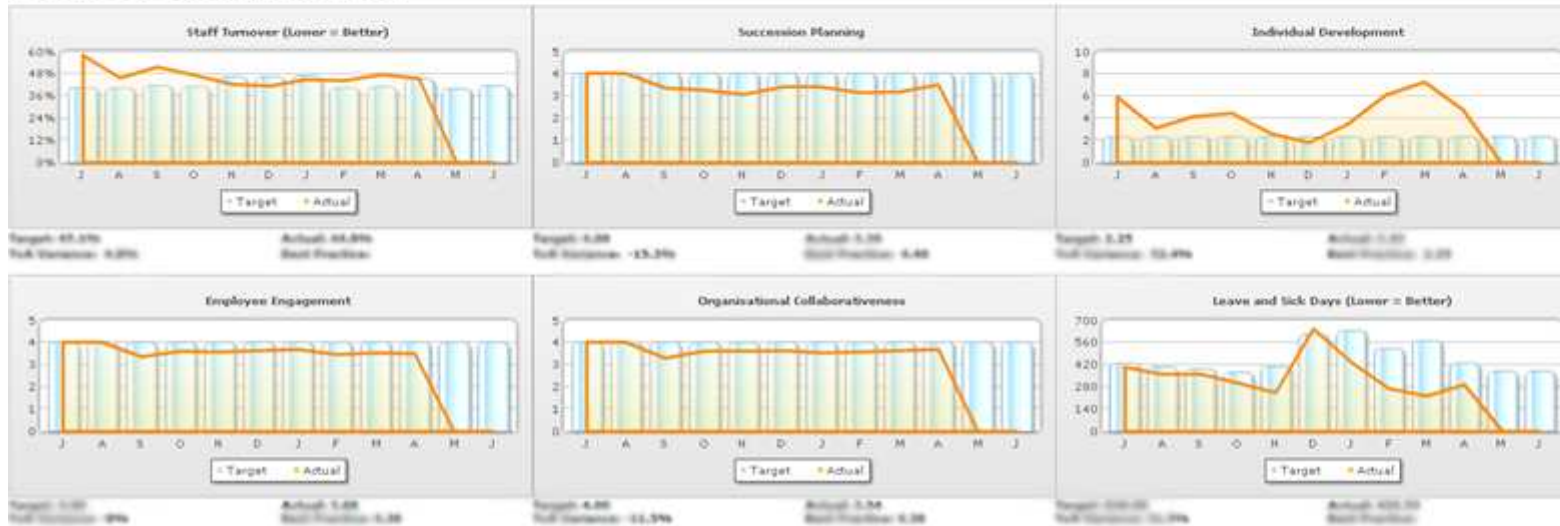


INTERNAL PROCESSES PERSPECTIVE



Jan 2010 INTERNAL PROCESSES
-0.83
Negative Development

LEARNING AND GROWTH PERSPECTIVE



Jan 2010 LEARNING AND GROWTH
0.00
Positive Development

Key Achievements

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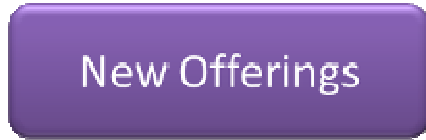


New Offerings



KONEKT New Offerings

- Konekt Integrated Employer Solution (KIES) provides businesses the option to outsource part, or all of their OHS, injury and workers compensation risk management function. KIES combines the service capability of Konekt's allied health professionals with a new innovative technology platform that provides complete process and compliance transparency.



KONEKT New Offerings

- Konekt Pre-employment services in partnership with the Health Advantage Group have embarked on the design and implementation of a landmark product offering which revolutionise the medical pre-employment industry. The new digitised system combines the best aspects of both the traditional medical doctor provided screen, interfaced with the Konekt functional assessment all undertaken at one location.

Agenda



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Strategic Direction
What is the strategy?



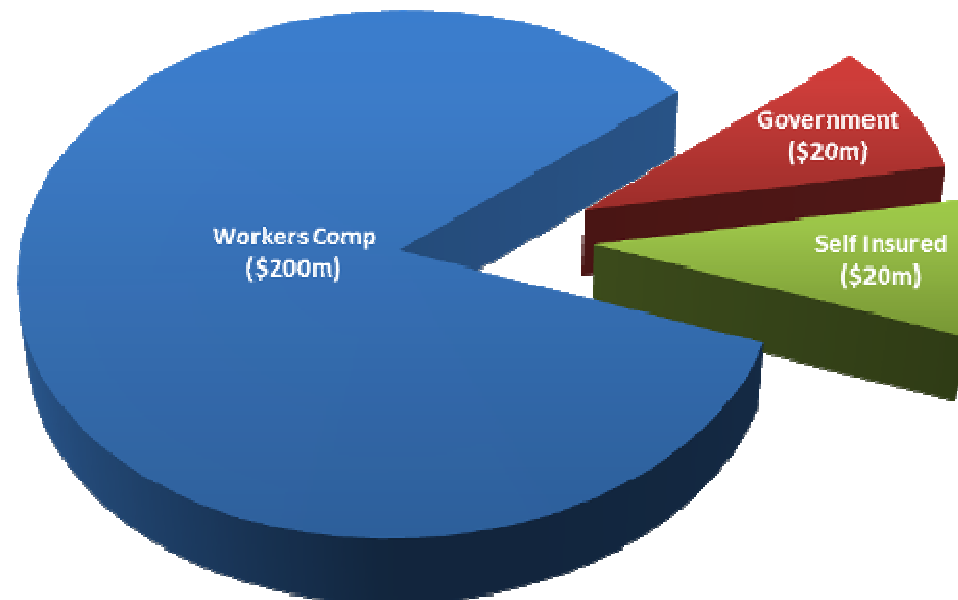
Execution
How will we execute?



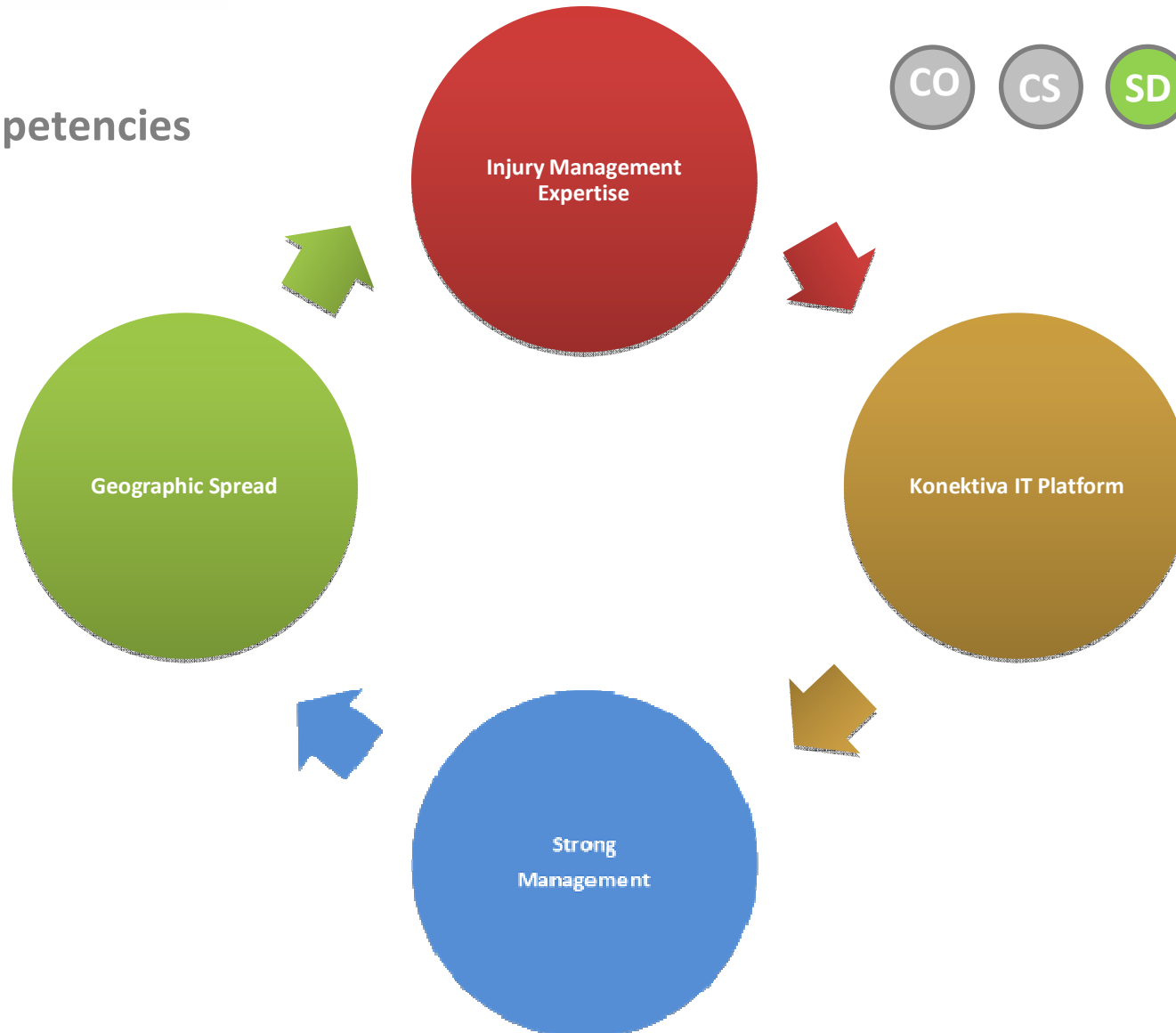
Outlook
For 09/10 full year

Key Insights: Domain 2 – Macro Market

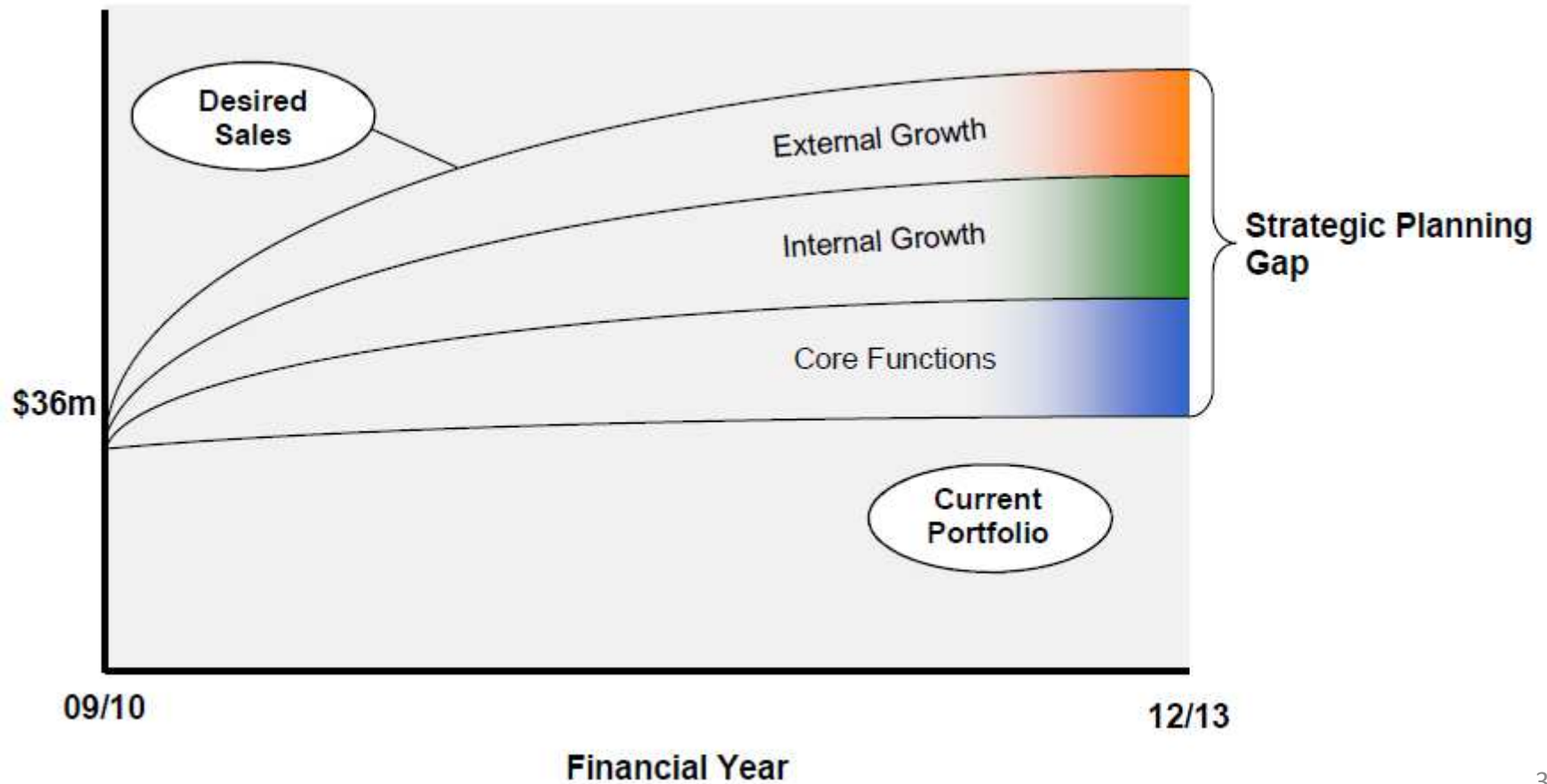
Total Rehab Market Share (\$240m)



Core Competencies



Strategic Planning Gap

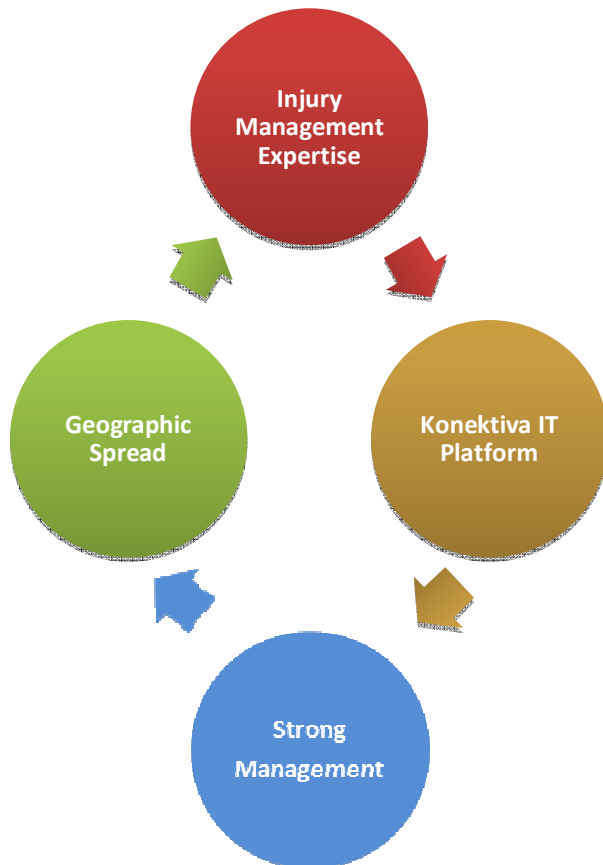


Strategic Direction



Strategy

Core Competencies



Core Functions

- Continue to focus on case occupational rehab work from insurers + Comcare
- Grow preferred provider arrangements
- Target insurers we have little share with
- Differentiation through service + technology

Internal Growth

- New KIES offering leveraging of IT platform Konektiva
- Technologically advanced pre-employments with strategic alliance partner Health Advantage Group
- Pushing into CTP (motor vehicle rehab) market
- Pushing into Income Protection market
- Targeting employers with our safety services

External Growth

- Targeted acquisition that will be complementary + supplementary to our business
- Strategic alliance
- Joint ventures

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Growth Expectations

- Minimum of 15% annual organic growth
- Improving profitability percentage from revenue growth
- Acquisition sought in targeted niches. Generally earn out type deals
- Strategic alliances much more actively pursued



Execution

- Significant investment into the IT development of the KIES offering
- Investment into the digitised pre-employment offering
- Three new BD staff recently hired to execute our strategy
- Significant training of our operational management in BD has occurred
- Dedicated resources to execute the CTP and Income Protection market focus



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Outlook
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Update on full year outlook

- Full Year outlook 09/10 – Revenue \$36m, EBIT \$2.2m
- Strong half year results – Revenue \$18.1m (up 16% on Dec 08), EBIT \$1.4m (up 175% on Dec 08)
- Dividend expected to be paid for the first time after June 2010 accounts
- Further growth anticipated from insurer market
 - Growth from innovative new offerings
 - Transition to other injury management markets, such as, IP/CTP
- Profitable and expanding business
- Leading organisational health and risk management provider
- Competitive advantage – Konektiva, geographic footprint, wide skill set, end-to-end injury services
- Established platform for long term growth
- Growing geographical footprint
- Increasing brand mindshare

Full year NP outlook

- As a result of the continued profitability of the company it will be necessary to recognise prior years tax losses and other temporary differences in the 2009-2010 accounts
- As a result we will have a one off positive adjustment to earnings and future years earnings will be subject to income tax expense

Full year NP outlook

EBIT	\$2.2m
Interest	\$(0.1m)
PBT	\$2.1m
Tax on PBT	\$(0.6m)
Tax credit on prior year tax losses and temp diff	\$3.3m
PAT	\$4.8m
EPS	6.8 cents
Average shares on issue 70,892,959	



**I would like to thank you
for listening.**

Questions Please.