

Coote Industrial Limited



Innovation, Dedication, Reliability

Introduction

- Commenced operations in Western Australia in 1989.
- Multi-disciplined group of companies with the capability to deliver integrated, whole-of-project service offerings.
- Five (5) Business Segments focussed on the diesel engine, in Energy, Engineering, Logistics, Rail and Rollingstock services.
- Primary target Market Segments, Defence, Maritime, Power Generation, Rail and Resources.
- Forty-four (44) locations across Australia (WA, NSW, QLD, VIC and SA) and internationally in Sweden, New Zealand, Philippines, Indonesia and Singapore.
- Listed on the ASX in December 2006.

Post-Listing Acquisitions

Acquisition Details		FY08 Projections				Purch. Price \$'000	Multiple (x)
Company	Date	Revenue \$'000	EBIT \$'000	EBITDA \$'000	NPAT \$'000		
South Spur Rail Services	May 07	92,936	13,306	14,818	7,932	25,000	3.15X
FCD Container Logistics	Jul 07	12,387	3,197	3,808	2,238	12,500	5.58X
Gemco Rail	Aug 07	63,833	8,332	8,836	5,100	33,800	6.62X
Industrial Powertrain	Aug 07	5,261	1,854	1,878	1,351	5,000	3.70X
Drivetrain Australia	Oct 07	38,900	3,839	4,037	2,650	12,089	4.56X

Group Structure



Coote Energy
Claw Environmental



Convair Engineering
Drivetrain Australia
GTSA Engineering
Hedemora Diesel (Sweden)
Hedemora Diesel Australia
Industrial Powertrain
Lights Power Anything
PC Diesel
Savant Technologies



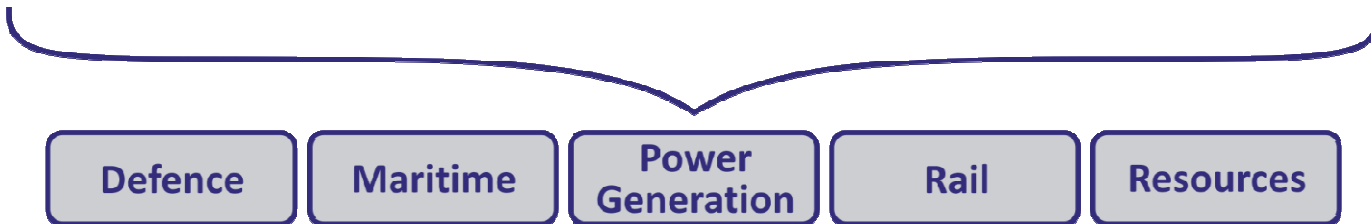
Asset Kinetics
FCD Container Logistics



Australian Rail Mining Services
Centre for Excellence in Rail Training
Momentum Rail
South Spur Rail Services
Southern & Silverton



Gemco Rail
Rail Bearing Refurbishment Services



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Business Segment Financials

	Energy	Engineering	Logistics	Rail	Rollingstock	Corporate (Consolidated)
FY07 Actual	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	227	50,371	9,085	11,247	-	69,416
EBITDA	(57)	13,835	2,120	1,467	-	15,653
EBIT	(89)	12,848	1,250	1,272	-	13,592
NPAT	-	-	-	-	-	8,174
FY08 Forecast	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Revenue	2,061	93,744	22,267	92,936	63,833	269,906
EBITDA	(253)	15,081	6,027	14,850	8,836	39,626
EBIT	(497)	13,541	4,572	13,306	8,332	34,139
NPAT	(468)	7,571	1,978	7,932	3,280	19,038

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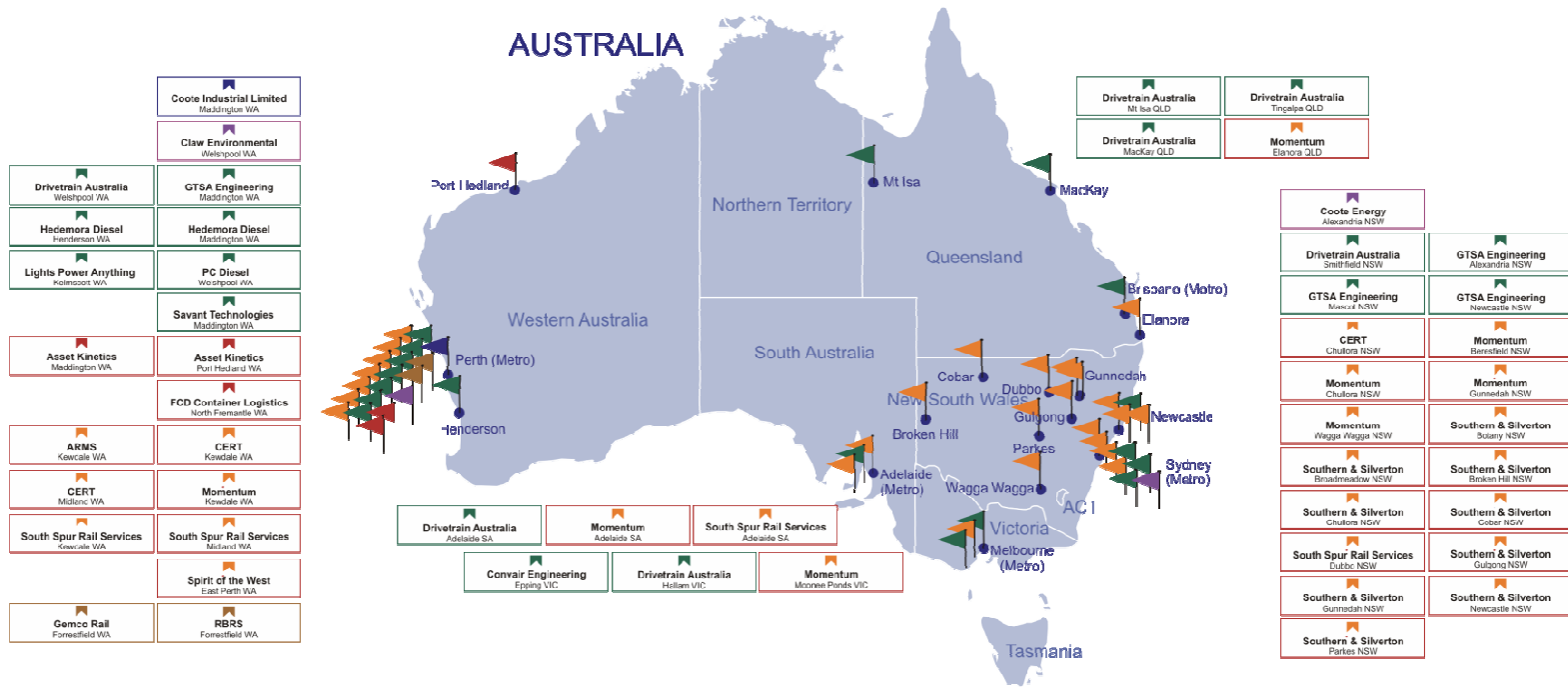
Major Customers FY07 Sales

Pos .	Customer	Sales \$'000	% of Total
01	SCT Logistics	21,302	9.91
02	Pacific National	18,030	8.39
03	ARTC	12,609	5.86
04	Australian Rail Group	9,014	4.19
05	Namoi Cotton Co-Operative	6,291	2.93
06	DBT Australia	6,088	2.83
07	ASC	5,411	2.52
08	CFCLA	3,867	1.80
09	Juganaut Industries	3,766	1.75
10	Laing O'Rourke	3,466	1.61

Pos .	Customer	Sales \$'000	% of Total
11	John Holland Rail	3,232	1.50
12	Department of Defence (Navy)	3,212	1.49
13	RailCorp	3,177	1.48
14	Toll Group	3,048	1.42
15	BHP Billiton	2,518	1.17
16	Transport Express JV	2,195	1.02
17	Perilya Broken Hill Mines	2,185	1.02
18	Kalari	2,159	1.00
19	Straits Resources	2,040	0.95
20	QR Ltd	1,997	0.93

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LEGEND:  Coote Industrial Ltd  Energy Division  Engineering Services Division
 Logistics Division  Rail Services Division  Rollingstock Services Division



Coote Industrial Locations

CORPORATE	Coote Industrial Ltd - Maddington	Coote Industrial Ltd – North Ryde	
ENERGY DIVISION	CLAW Environmental - Welshpool	Coote Energy - Alexandria	
ENGINEERING SERVICES DIVISION	Convair Engineering - Epping	Drivetrain Australia – Adelaide	Drivetrain Australia - New Zealand
Drivetrain Australia – Melbourne	Drivetrain Australia - Jakarta	Drivetrain Australia - MacKay	Drivetrain Australia - Manila
Drivetrain Australia - Mt Isa	Drivetrain Australia – Singapore	Drivetrain Australia - Smithfield	Drivetrain Australia - Brisbane
Drivetrain Australia - Perth	GTSA Engineering - Newcastle	GTSA Engineering – Alexandria	GTSA Engineering – Maddington
GTSA Engineering – Mascot	Hedemora Diesel – Sweden	Hedemora Diesel – Henderson	Hedemora Diesel – Maddington
Industrial Powertrain – Bassendean	Lights Power Anything – Kelmscott	PC Diesel – Welshpool	Savant Technologies - Maddington
LOGISTICS DIVISION	Asset Kinetics – Maddington	Asset Kinetics - Port Hedland	FCD Container Logistics
RAIL SERVICES DIVISION	Australian Rail Mining Services	CERT – Chullora	CERT – Kewdale
CERT – Midland	Momentum Rail – Adelaide	Momentum Rail – Beresfield	Momentum Rail – Chullora
Momentum Rail – Elanora	Southern & Silverton - Narrabri	Momentum Rail – Kewdale	Momentum Rail – Melbourne
Momentum Rail - Wagga Wagga	South Spur Rail Services - Adelaide	South Spur Rail Services - Kewdale	South Spur Rail Services – Midland
Southern & Silverton – Botany	Southern & Silverton – Broadmeadow	Southern & Silverton – Broken Hill	Southern & Silverton – Chullora
Southern & Silverton – Cobar	Southern & Silverton – Dubbo	Southern & Silverton – Gulgong	Southern & Silverton – Narrabri
Southern & Silverton – Newcastle	Southern & Silverton - Parkes Depot	Spirit of the West – East Perth	
Rollingstock Services	Gemco Rail - Forrestfield	RBRS - Forrestfield	

Group Financials – Post Capital Raising

Financial Performance	\$'000
Total sales	269,906
EBITDA	39,626
EBIT	34,139
NPAT	19,038
Total Assets	295,726
Borrowings	80,022
Shareholders equity	178,865
Key Ratio Indicators	
EBIT Interest cover	4.62
Debt / equity ratio	44.74
Current ratio	3.14

Business Segment – Engineering Services

Overview	<ul style="list-style-type: none"> • Comprises of 9 business units across 23 locations in WA, SA, VIC, NSW, QLD, New Zealand, Singapore, Indonesia, Philippines and Sweden. • Operations: <ul style="list-style-type: none"> • Heavy diesel-electric engineering services; • Defense and other commercial marine vessel maintenance; • Heavy diesel engine parts supply; • Locomotive and rolling stock engineering services; • Design and manufacture of pneumatic bulk road tankers; • Industrial electronics; • Commercial Industrial equipment manufacture and hire. • Transmissions, drivetrain components & systems, hydraulic products and marine propulsion
Market Segment	Defence (Navy), Rail, Maritime, Power Generation, Resources
Customers	DBT Australia, ASC, Juganaut Industries, Defence (Navy), Kalari, Cement Australia, Holcim, Sandvik, BGC, Thales, Atlas Copco, CFCLA, Cadbury, BHP, Boral Construction, ARG, Rio Tinto, PN, QR, Tidewater, Transocean

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Business Segment – Logistics

Overview

- Comprises of 3 business units at 3 locations in WA.
- Tailored solutions for specialised logistics requirements and transportation of irregular product within Australia.
- Container storage combined with Australian Quarantine and Inspection Services (AQIS) accreditation in an Australian Customs Service (ACS) approved facility in the port of Fremantle .

Market Segment

Services Western Australia with emphasis on transporting mine products, dangerous goods, and transportable housing.

Customers

Straits, Aditya Birla, Nomad, Glencore, Coogee Chemicals, Wylie & Skene, Newcrest, Fleetwoods ...

Business Segment – Rail Services

Overview	<ul style="list-style-type: none"> • Comprises of 6 business units across 26 locations in WA, SA, VIC, NSW and QLD. • Rail operations are specialised and focused on clearly defined market segments. • Operations: <ul style="list-style-type: none"> • Rail Infrastructure services – hook and pull work train operations, rail protection crews, rail welding crews, training and certification • Regional Services emphasis on mining and agriculture – shunting, hook and pull, dedicated haulage operations, labour supply, training and accreditation • Port destination intermodal services • Integrated logistics – focused solutions integrating road transport, port services and rail operations
Market Segment	Rail infrastructure services, Regional services emphasis on mining and agriculture.
Customers	SCT, Pacific National, ARTC, Laing O’Rourke, PTC, RailCorp, John Holland, WestNet, CBH, FMG, ARG, Toll Group, Downer EDI, Speno Rail, RTSG ...

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Business Segment – Rollingstock Services

Overview	<ul style="list-style-type: none"> • Comprises of 2 business units at 2 locations in WA with on-site activities at customer premises in other states. • Gemco Rail, specialises in the provision of maintenance services to rail operators. • Operations: <ul style="list-style-type: none"> • Provides wheel sets, bogies and in-field wagon maintenance and manufactures new and refurbished wagons, bogie component parts and customised remote controlled ballast car discharge gates • Supplies a broad range of rail track maintenance equipment and refurbishes bearings
Market Segment	All rail operators in Australia.
Customers	SCT, Pacific National, ARG, QR, ARTC, CFCLA, Toll Group, RailCorp, BHP, WestNet Rail ...

Business Segment – Energy

Overview	<ul style="list-style-type: none">• Comprises of 2 business units at 2 locations (in WA and NSW).• Focused on the growing need to provide energy solutions that deliver a lower environmental impact for the rapidly expanding private power
Market Segment	Mining Industry, standby power requirement, peaking requirements, alternate fuels, green power etc.
Customers	Queensland State Government, Australian Federal Police,

Market Segment – Overview

Defence	<ul style="list-style-type: none">• Spending at record levels in Australia• Government commitment to building the \$3bn Landing Helicopter Dock amphibious ships; \$8bn Navantia Air Warfare Destroyer project, and supporting the Armidale Class Patrol Boats• Major contractors for these massive projects are existing Coote Industrial customers
Maritime	<ul style="list-style-type: none">• Demand for labor to service the engines and ancillary requirements of many of the haulage and cargo vessels• Potential exists for Coote to expand its overhaul services in Singapore• Number of sea vessel builders in Western Australia
Power Generation	<ul style="list-style-type: none">• Gas and renewable distributed power generation has attracted Government support• Government incentives for cleaner and renewable distributed power generation• Ongoing development of long-lived mineral projects, building sustainability standards and the pending introduction of carbon trading and greenhouse gas emissions targets are expected to provide a solid pipeline of opportunities in distributed and renewable power

Market Segment – Overview (cont'd)

Rail	<ul style="list-style-type: none">• Growing government expenditure on rail infrastructure replacement & upgrade along with both state and federal government policy strongly supporting land locked storage yards.• State and federal government desire to increase the volume of freight haulage by rail is rapidly driving rail services demand.• Strong demand for resources in WA, SA & NT has seen a number of prospective long-lived mining projects coming on stream.
Resources	<ul style="list-style-type: none">• Resource sector demand for mineral commodities continues to be strong.• Coote Industrial is expanding its logistics participation in resources in the north of Western Australia, hauling mining materials to site, and return delivering commodities to port.

Achievements since listing

Period	Activity
Mar 07	Interim dividend payment of 2.95 cents in-line with prospectus offering
Mar 07	Signed in-principle agreement to acquire rail services provider South Spur Rail Services Group ("South Spur")
May 07	Completed first tranche of South Spur acquisition
Jul 07	Completed acquisition of South Spur
Jul 07	Acquired port services business FCD Container Logistics
Aug 07	Acquired GEMCO Rail
Aug 07	Acquired Industrial Powertrain
Aug 07	Company announces financial results exceeding Prospectus forecast
Aug 07	Company announces final dividend at 2.95 cents per share; full dividend for FY07 year of 5.9 cents per share
Oct 07	Announcement of Drivetrain acquisition
Oct 07	\$70m Institutional Placement (subject to shareholder approval)

Growth Strategy

- Organic growth in existing markets
- Strategic Acquisitions
 - History of strong, long term growth
 - Stable high recurring earnings
 - High barriers to entry
- International expansion
- Agency and product representation
 - Focus on agencies across the group & leverage advantage
- Internal operational improvements
 - Focus on procurement, duplication, administration systems

Business Improvement Opportunities

- Supply chain improvements
- Business wide synergies
- Margin improvement initiatives
- Improved resource utilisation
- Project management

Board of Directors

Name	Position
Donald Hector	Non-Exec Chairman
Mike Coote	Managing Director / CEO
Don Patterson	Executive Director
Peter Wilson	Executive Director
Glenn Parrett	Executive Director

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Financial Summary

	Actual Jun-05* \$'000	Actual Jun-06* \$'000	Prospectus Jun 07 \$'000	Actual Jun 07 \$'000	Forecast Jun 08 \$'000
Revenue	12,817	19,939	56,585	69,416	269,906
EBITDA	3,525	3,227	11,935	15,653	39,626
EBIT	3,271	2,807	10,147	14,031	34,139
PBT	3,058	1,987	9,210	11,062	26,757
NPAT	2,116	1,202	6,644	8,174	19,038
EPS	N/A	N/A	9.0c	9.8c WEIGHTED AVG. 18.12c	16.5c WEIGHTED AVG. 19.15c

* Financial performance as a private unlisted company.

Capital Structure

	Post Capital Raising
Ordinary shares	83,268,514
Placement shares	29,166,667
AGM approvals	3,290,114
Total	115,725,295
Unlisted options	10,747,000
Weighted average	\$2.21

Disclaimer – Forward Looking Statements

This presentation contains forward-looking statements. Where the company expresses or implies an expectation or belief as to future events or results, such expectation or belief is expressed in good faith and believed to have a reasonable basis. However, forward-looking statements are subject to risks, uncertainties and other factors, which could cause actual results to differ materially from future results expressed, projected or implied by such forward-looking statements.

For a more detailed discussion of such risks and other factors, see the Company's ASX announcements and other filings. The Company does not undertake any obligation to release publicly any revisions to any forward-looking statement to reflect events or circumstances after the date of this presentation, or to reflect the occurrence of unanticipated events, except as may be required under applicable securities laws.