



Rakon Limited

FY10 results



Summary

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- › 2H10 Earnings well up on 1H10
 - EBITDA of NZ\$7.2 million
 - NPAT of NZ\$0.8 million
- › Smart phone share increasing
 - New tier 1 customers
- › Growth in telecommunications
 - Data crunch and Rakon's products match new network requirements
- › Chengdu China project progressing well
- › Global business platform and excellent product portfolio
- › Strong cash reserves to fund growth



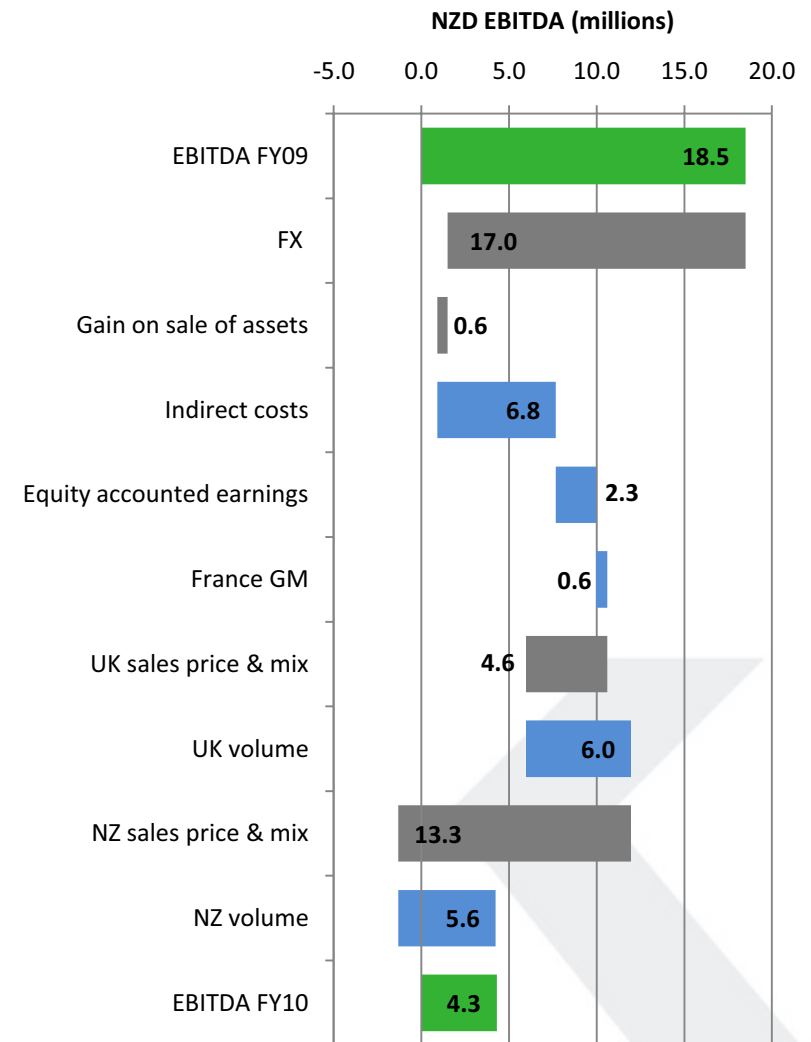
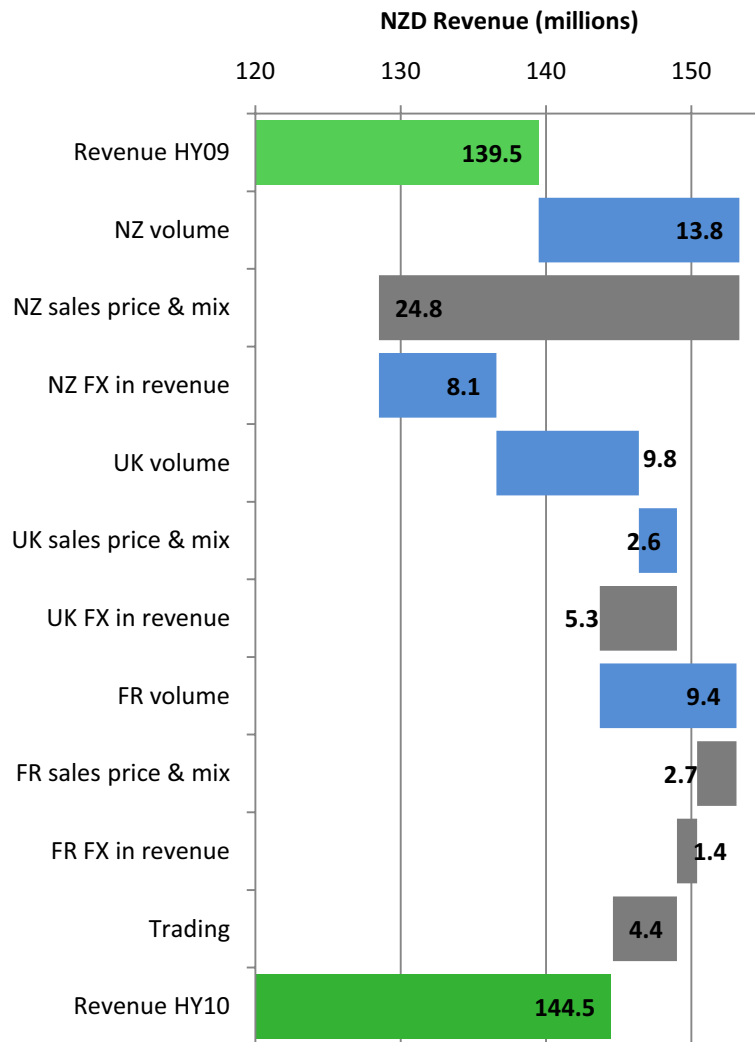
Financial Overview

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NZD millions	FY10	FY09	FY08
Revenue	144.5	139.5	174.3
EBITDA	4.3	18.5	25.4
EBITDA “look through”	6.5	19.4	25.4
Depreciation & Amortisation	8.7	8.3	8.8
Profit after tax	-5.4	4.5	10.9
Earnings (cents per share)	-3.4	3.6	8.6
Operating Cash Flow	1.0	16.6	0.3
Capital expenditure	8.5	15.3	13.9
Cash reserves / (Net Debt)	45.8	(8.0)	(4.8)
Shares on issue at balance date (million)	189.7	126.9	126.8

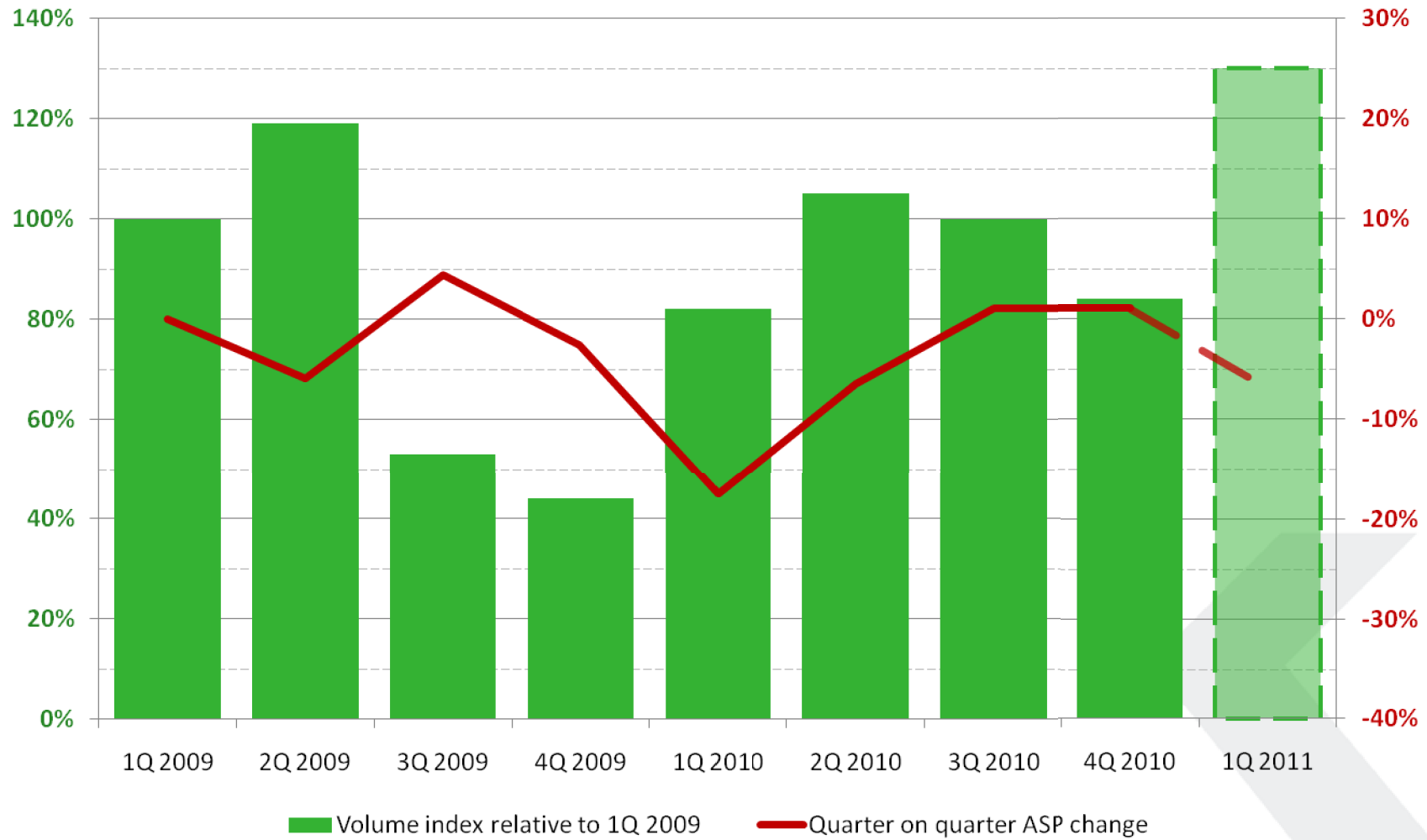
Revenue & EBITDA Bridge

Revenue & EBITDA Reconciliation for Rakon Group (HY09 to HY10)



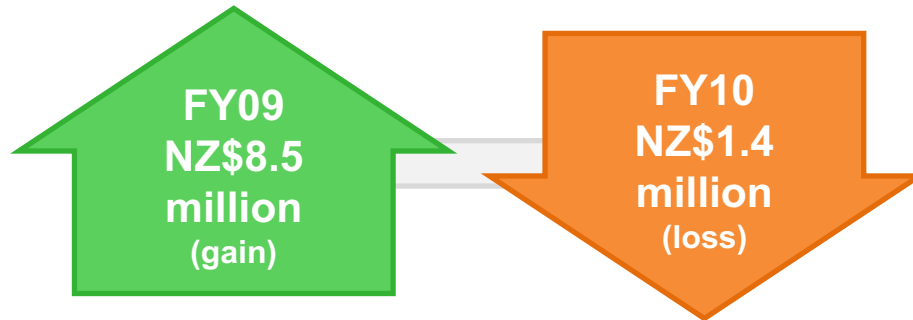
GPS TCXO trend

Sales volume and price trends for NZ GPS Grade products



FX Summary

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› FY 2010 comprises

- Revaluation loss NZ\$4.5 million (FY09 was gain of NZ\$12.5 million)
- Hedge gain NZ\$3.0 million (FY09 was loss of NZ\$4.0 million)

› Current Hedging Position

- US\$/NZ\$: FY11 – 40% of net exposure @ 0.695
- US\$/JPY: FY11 – 25% of net exposure @ 92
- US\$/GBP: FY11 – 40% of net exposure @ 1.49



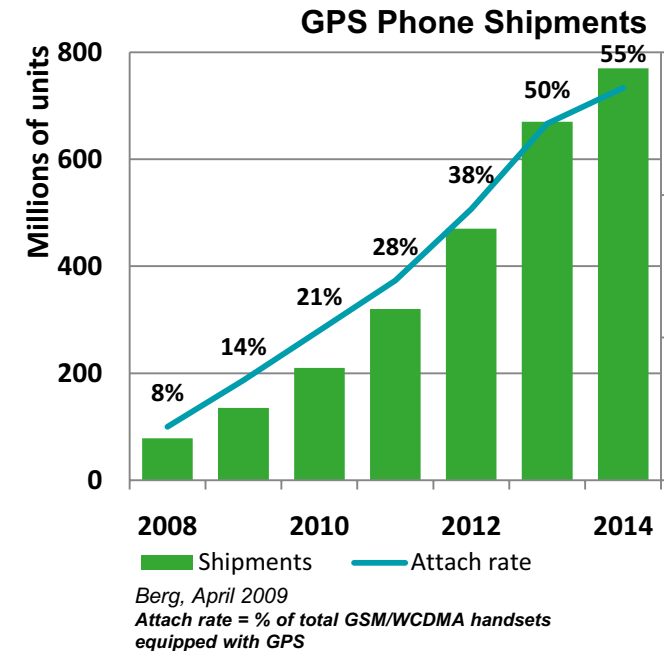
China Update

- › Land is secured and building design complete
 - Approx. 17,000m² (plus Timemaker approx. 16,000m²)
 - Initially crystal production (clean room, testing, packaging)
 - Expanding to High Volume TCXO 2012
- › Building construction June – December 2010
- › Operations begin mid 2011



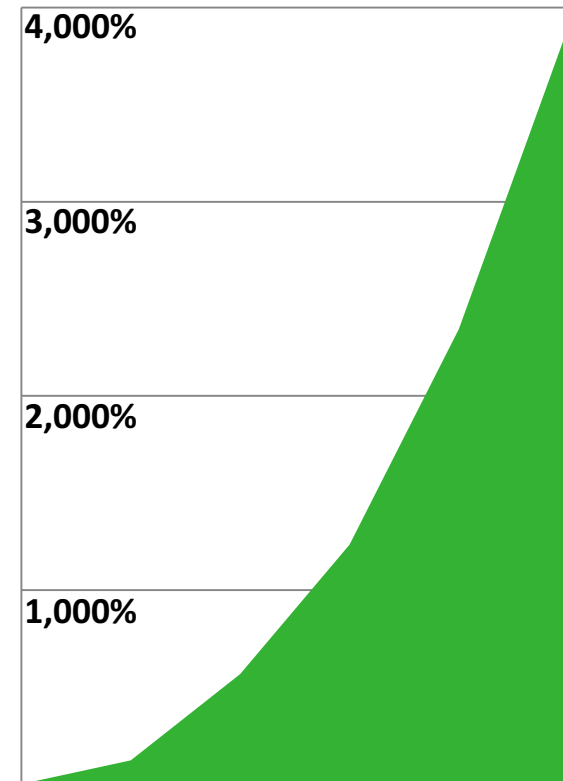
Smart Phone & Positioning

- › GPS as a feature in smart phones firmly established
- › Rakon enabling phone manufacturers to achieve improved performance
- › Rakon established as key supplier to leading global smart phone manufacturers
- › Mobile computing demand emerging
- › Rakon forecast significant volume increase in FY11 and beyond
- › PND demand steady, maintaining market share, continuing to supply all major manufacturers
- › Beacon market stays strong



- › Huge increases in data traffic trend now firmly established
- › Rakon's European acquisition and subsequent investments has created leading position in data infrastructure build
 - Preferred supplier to worlds leading infrastructure builders
 - Next generation technologies accelerating and demands improved performance
 - Strong demand for Rakon's precision TCXOs and OCXOs
 - Rakon's new VCXO range now shipping

Forecast increase in data usage from 2009

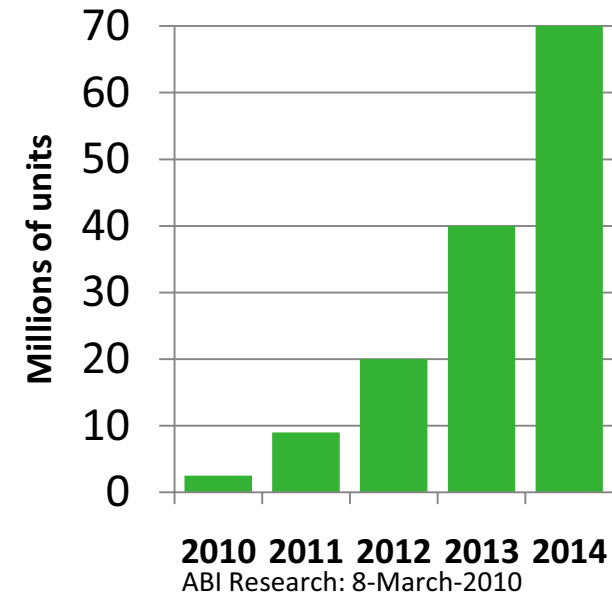


2009 2010 2011 2012 2013 2014

Cisco Visual Networking Index: Global Mobile Data Traffic Forecast Update Feb 2010

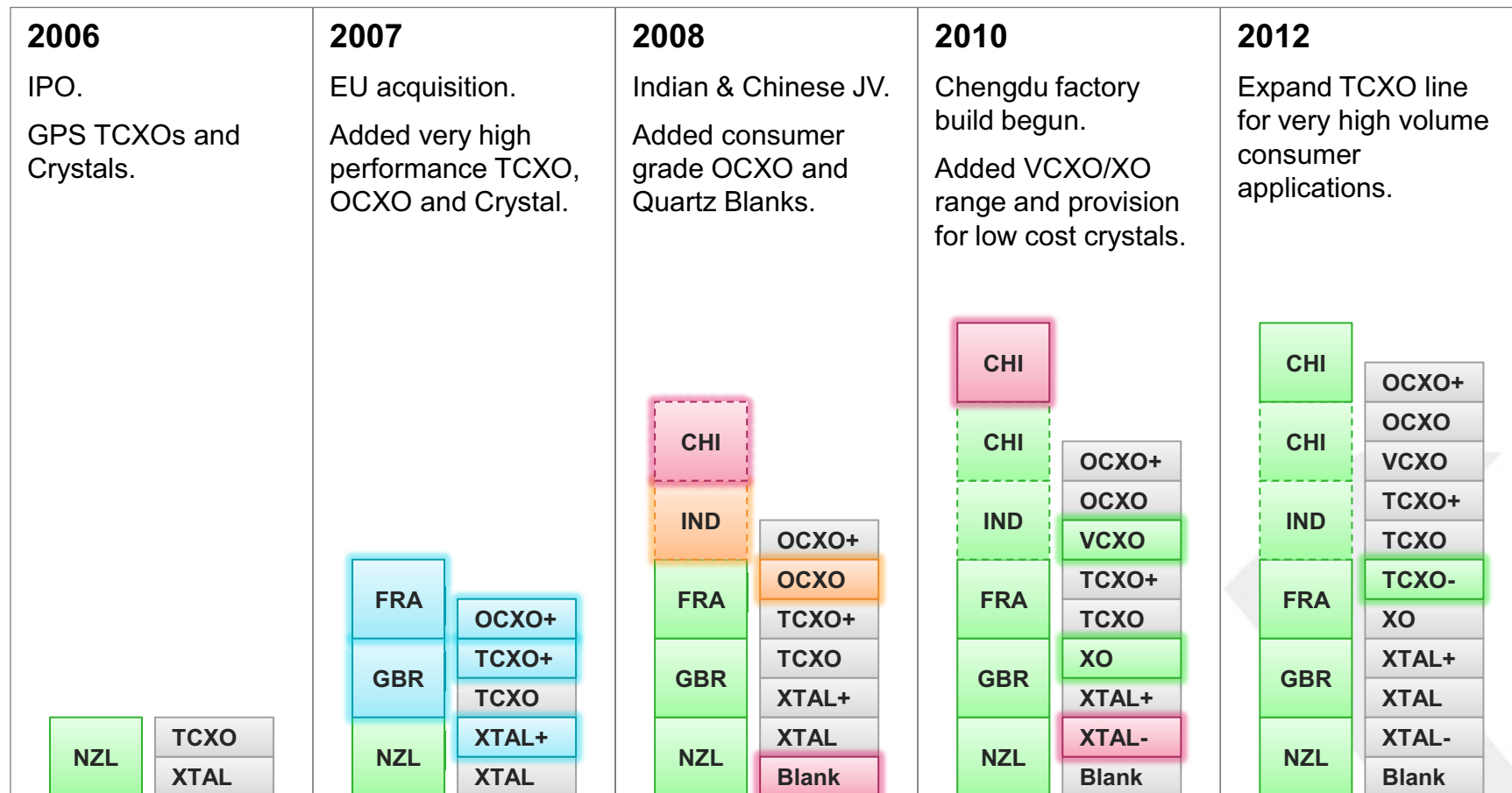
◀ Femtocell

- › Market shift from trial to deployment
- › Femtocells provide a solution to mobile data crunch
- › Key telcos giving away femtocells
- › Independent market projections for CY 2010 recently upgraded
- › Rakon has leading market position and able to capitalise on any upside



Building a global leader

Since 2006 Rakon has been developing from a small niche supplier to a global leader in frequency control and is well positioned to expand in the US\$3b frequency control market.



Guidance

- › Current broker estimates for FY11 results are shown in the table below. Rakon expects FY11 results to fall within these estimates.

NZ\$ Millions	Sales	EBITDA
Range	182 – 204	25 – 30
Mean	189	27


Disclaimer

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This presentation contains not only a review of operations, but also some forward looking statements about Rakon Limited and the environment in which the company operates. Because these statements are forward looking, Rakon Limited's actual results could differ materially.

Although management and directors may indicate and believe that the assumptions underlying the forward looking statements are reasonable, any of the assumptions could prove inaccurate or incorrect and, therefore, there can be no assurance that the results contemplated in the forward looking statements will be realised.

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