



◀ Enabling
Next Generation
Technologies

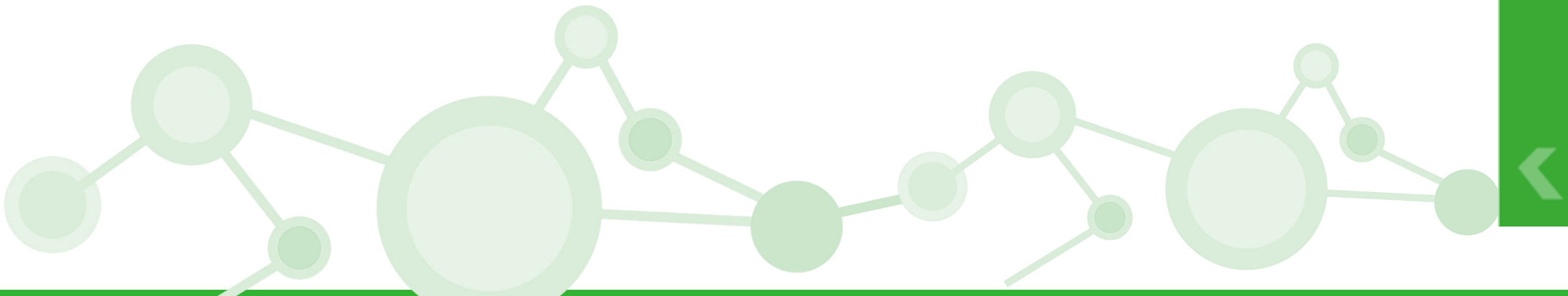


- ◀ **Welcome & Introduction**
- ◀ **Meeting Order & Process**
- ◀ **Chairman's Address**
- ◀ **Managing Director's Address**
- ◀ **Business of the Annual Shareholders Meeting**
 - Resolutions
 - Annual Report
 - Re-Election of Directors
 - Auditor
 - General Business
- ◀ **Meeting Closed**



Chairman's Address

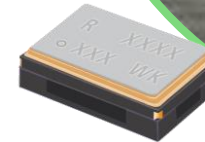
Bryan Mogridge



< Last year's Special Shareholders Meeting

- ❑ 99% of shareholders agreed to the Board's recommendation to sell an 80% equity stake in Rakon Crystal Chengdu (RCC) and remove ourselves from the smart wireless device (SWD) component market

< Transaction Completed





◀ Pursuing profit growth through:

- ❑ Focus on higher margin markets
- ❑ Generating further efficiencies:
 - Planned closure of our Lincoln, UK factory
 - Shifting production to NZ
 - Transfer of full OCXO production from France to our Joint Venture in India



< FY2014

- Net loss after tax of \$79.4 million (attributable to Rakon equity holders)
 - \$63.8 million from non-cash charges resulting from the Rakon Crystal Chengdu loss on sale, exit from the smart wireless device market, and other impairment charges including goodwill
- Underlying EBITDA loss of \$7.5 million
 - Includes total restructuring costs of NZ\$10.4 million

< FY2015 guidance unchanged

- Underlying EBITDA of between NZ\$10 million and NZ\$15 million
- We remain confident of achieving this – Rakon is on track to return to profitability

◀ France

- The restructure has significantly reduced costs
- Discrete OCXO manufacturing to be concentrated at our Joint Venture in India

◀ United Kingdom

- Lincoln manufacturing facility to be closed by the end of October
 - Production to be shifted to New Zealand
 - Creates operating efficiencies
 - Positions Rakon to make further adjustments to ensure manufacturing costs and quality are at the leading edge of the business we supply globally



◀ A busy year for Rakon

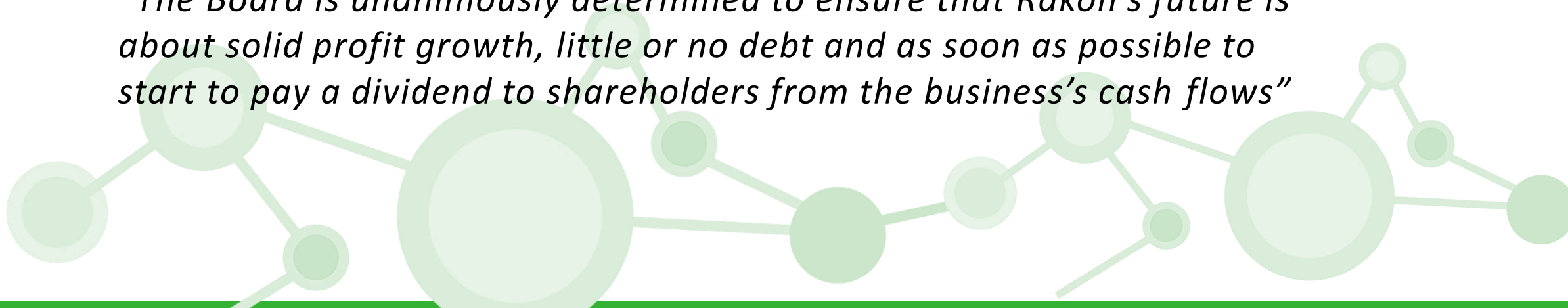
- ❑ All strategic tasks accomplished
- ❑ Rakon restructured and realigned

◀ Rakon well positioned for market growth

- ❑ Market growth to continue over the next few years

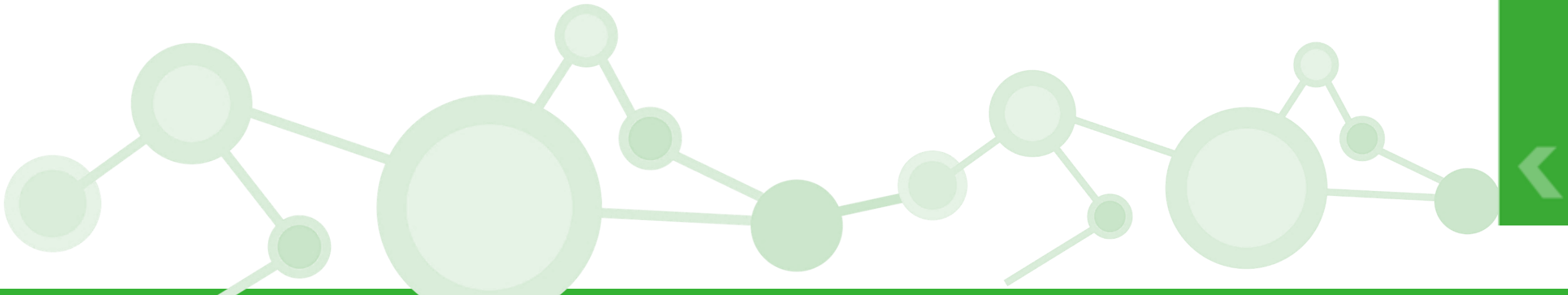
◀ The Board's focus

"The Board is unanimously determined to ensure that Rakon's future is about solid profit growth, little or no debt and as soon as possible to start to pay a dividend to shareholders from the business's cash flows"



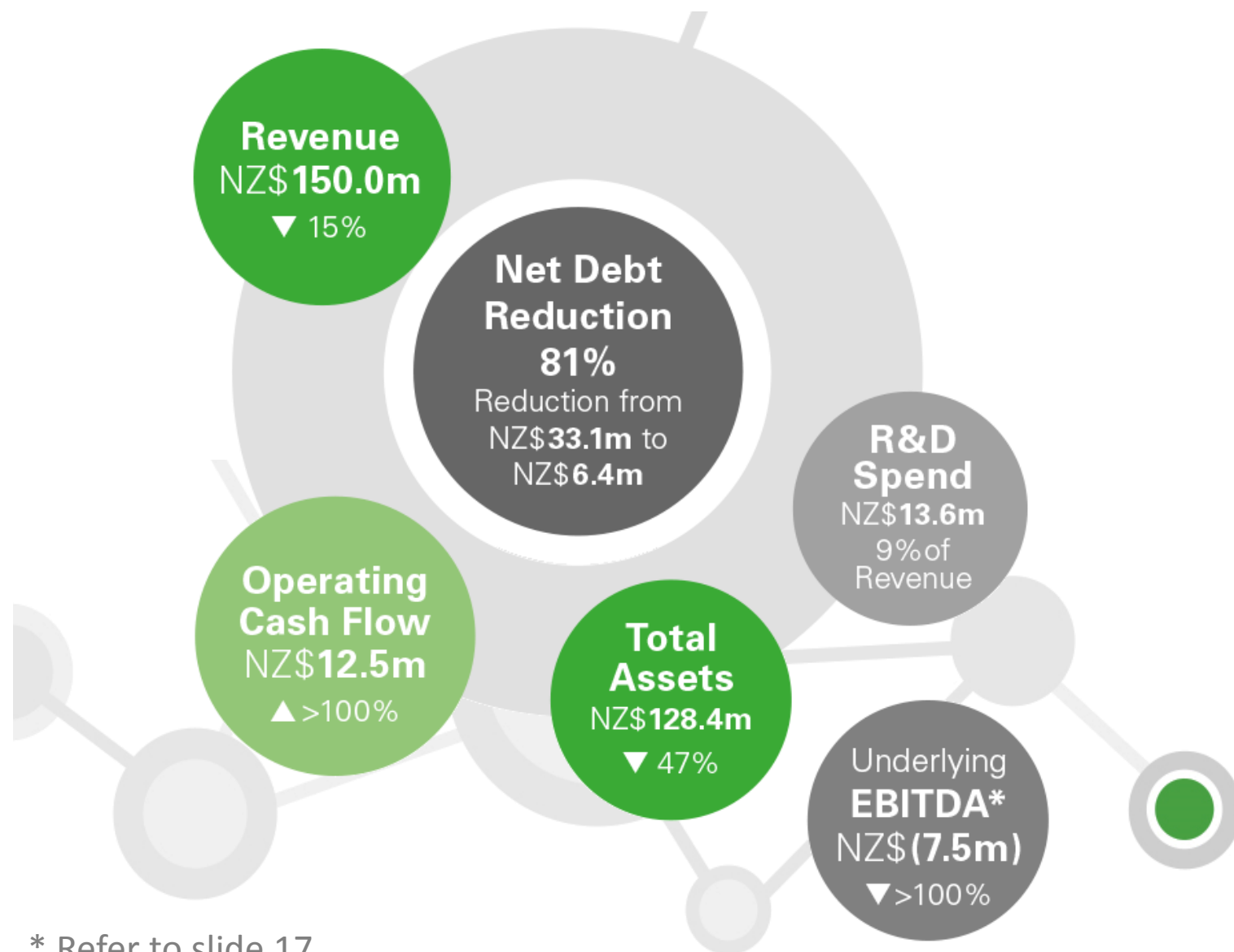
Managing Director's Address

Brent Robinson



Financial Snapshot Financial Year (FY)2014

NZD Millions	FY14	FY13
Revenue	150.0	176.3
Underlying EBITDA*	(7.5)	5.1
Loss from discontinued operations	33.3	7.6
Impairment	19.9	17.3
Profit/(loss) after tax	(83.8)	(32.8)
Earnings (cents per share)	(41.7)	(16.7)
Operating cash flow	12.5	(2.7)
Capital expenditure	5.9	12.3
Bank borrowings	10.9	36.1
Net debt	6.4	33.1
Shares on issue at balance date (millions)	191.0	191.0



* Refer to slide 17



< Equity sale in Rakon Crystal Chengdu

< France restructure



< Closure of Lincoln UK manufacturing in progress and on track

< Leaner business

- ❑ 45% headcount reduction over the period of structural change
- ❑ FY2015 operating expense to be NZ\$12 million lower on comparison with FY2014



Our Vision

To be the preferred 'frequency control product' supplier to the Telecommunications, Global Positioning and Space & Defence markets with best-in-class application knowledge.

Strategic Focus

Focus on Markets for Growth & Profitability			Technology Development		Operational Excellence	
Telecomms	Global Positioning	Space & Defence	Products / Applications	R&D	Operating Platforms / Efficiency	People
<ul style="list-style-type: none"> Growth from 4G/LTE global deployments. Leverage the current strength in customer base and design-in activities. Capture market share through technology transitions. 	<ul style="list-style-type: none"> Maintain strong market share through superior product performance Shift in focus to specialised applications 	<ul style="list-style-type: none"> Develop a global market position by expanding beyond well established European markets. Leverage new product and platform developments. 	<ul style="list-style-type: none"> Develop application specific technology solutions and next generation products. Development of products for future emerging markets. 	<ul style="list-style-type: none"> Focus on delivering the technology roadmap. Continue the development of disruptive technologies. Implement a best practice 'select-to-launch' process. 	<ul style="list-style-type: none"> Complete the structural realignment initiative in FY14, to realise planned operating cost savings in FY15. Implement the transfer of Lincoln manufacturing to NZ. Focus on speed. 	<ul style="list-style-type: none"> Embed new organisational structures following FY14 restructuring and market re-focus Align our global effort to deliver the new strategic plan

FY15 Strategic Priorities

Overarching objective

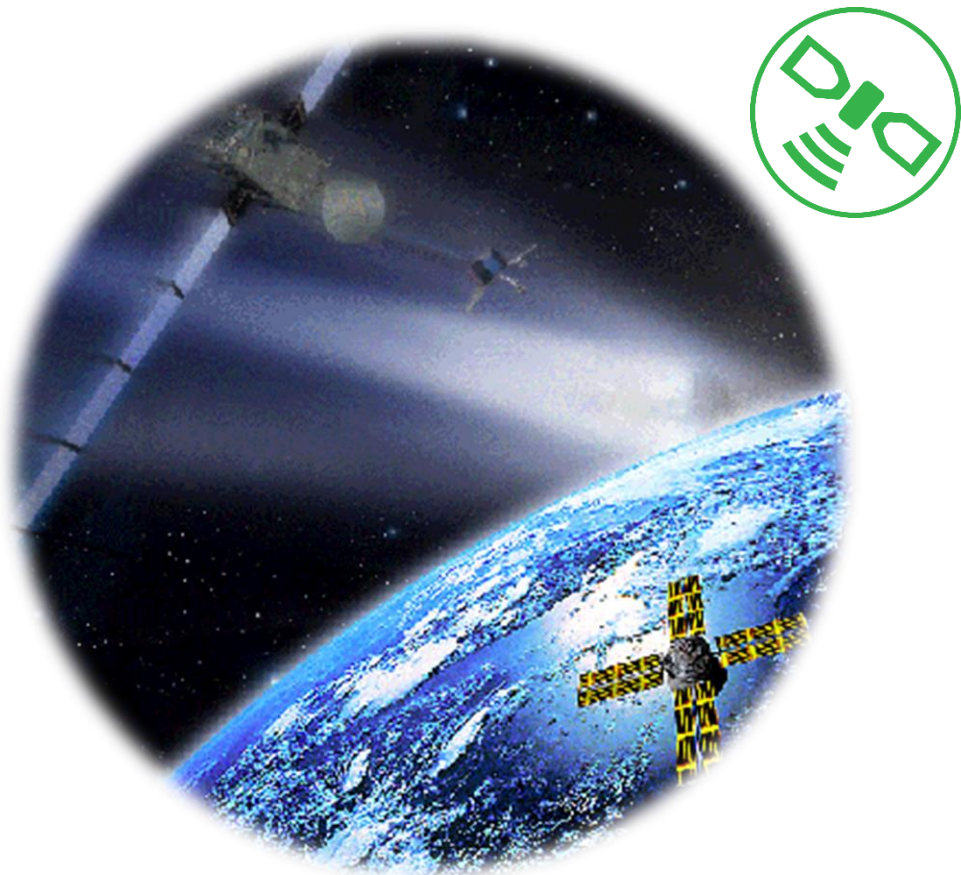
We will focus on shareholder value creation and our objective is to achieve an overall Return on Equity (ROE) > 12%





- ◀ **Rakon now supplies all Tier One telecommunications equipment suppliers with industry leading frequency control products**
- ◀ **Demand for these products increasing due to deployment of 4G macro networks and 4G small cells**
 - Demand driven by rapid expansion of wireless data
- ◀ **Rakon's product portfolio very well positioned for new generation of networks and is gaining market share**





- ◀ Rakon selected by the European Space Agency as the only supplier of new generation space grade oscillator – to be used in multiple space programmes



- ◀ Successfully developed and delivered key components for a next generation military radar system – doubling their range and improving resolution



◀ Market undergoing transition as demand for personal navigation devices (PND) drops off

- Due to use of in-car navigation systems and smartphones

◀ Volumes for GNSS oscillators decreasing

◀ Demand for higher specification oscillators increasing

◀ Growing applications:

- automated farming equipment, diggers, dump trucks – all require ruggedised high specification oscillators for their GNSS systems



Technology Development

- ◀ Despite recent tough financial results, we've continued to invest in R&D
- ◀ Core strength of Rakon is the intellectual knowledge in R&D centres

New Zealand

- Crystals
- XOs and VCXOs
- TCXOs
- OCXOs
- Test Equipment
- Software



The United Kingdom

- IC design
- TCXOs
- Advanced OCXO packaging



France

- SC-cut Crystal
- OCXOs



France

- Space crystals and oscillators
- Ultra-low phase noise oscillators



France

- SAW oscillators
- Radar sub-systems



Telecommunications



Global Positioning



Space



Defense



Other

“Action has been taken to position the business toward Rakon’s core foundations and strengths – higher margin, technologically advanced products”

- ◀ Re-positioned focus on markets in which we now operate
 - ▣ We will start from a lower revenue base than in previous years
- ◀ Expanding revenue through growth is achievable
 - ▣ Our guidance shows we’re on a path to the profitability that we all expect
- ◀ FY15 will be a year of some remaining transition

We are expecting our financial results to build momentum over the year, with a forecast for a stronger second half



Disclosure of Non-GAAP Financial Information

Rakon has used 'Underlying EBITDA' as a measure of non-GAAP financial information in this announcement and it is defined as:

"earnings before interest, tax, depreciation, amortisation, impairment, loss on disposal of assets, employee share schemes, non-controlling interests, adjustments for associates and joint ventures share of interest, tax & depreciation, and other non-cash items"

'Underlying EBITDA' is a non-GAAP measure, with its presentation not being in accordance with GAAP. The Directors present 'Underlying EBITDA' as a useful non-GAAP measure to investors, in order to understand the underlying operating performance of the Group and each operating segment, before the adjustment of specific non-cash charges and before cash impacts relating to the capital structure and tax position. 'Underlying EBITDA' is considered by the Directors to be the closest measure of how each operating segment within the Group is performing. Management uses the non-GAAP measure of 'Underlying EBITDA' internally, to assess the underlying operating performance of the Group and each operating segment

For FY2013 and FY2014 the use of 'Underlying EBITDA' in this announcement has been extracted from the audited financial statements for those financial years. This document should be read in conjunction with the Rakon Limited Annual Report 2014. A detailed reconciliation of Underlying EBITDA is contained at Note 4 (Segment Information) of the Financial Statements

For FY2015 the use of 'Underlying EBITDA' in this announcement is a guidance forecast and is not from audited financial statements



- ◀ 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
- ◀ Media releases, management commentary and investor presentations are all available on the company's website and contain additional information about matters which could cause Rakon Limited's performance to differ from any forward looking statements in this presentation. Please read this presentation in the wider context of material previously published by Rakon Limited



