Investor Presentation
Full Year Results Roadshow

30 September 2014

Highlights

Financial	Full year revenue of $218.2m and NPAT of $7.7m Strong balance sheet with $35.2m of net cash at 30 June 2014 Fully franked dividend of 2.7 cents per share
Operational	Order book of $111m at 30 June 2014 with $119m of new awards post year end Successful completion and close out of key contracts on time and on budget Continued systems and process improvements which are reducing overheads and increasing productivity
Strategic	Operations & maintenance and sustaining capital opportunities to increase as large scale capex projects are completed Actively monitoring and evaluating growth and acquisition opportunities Period of consolidation expected in the sector

About SCEE

Leading provider of specialised electrical and instrumentation services

Delivers services to large-scale resource projects across Australia and overseas throughout the project life cycle

Strong reputation for safety and excellence

Established in 1978 and listed on the Australian Securities Exchange in 2007 under the code SXE

Project life cycle support

scee infrastructure

design and construction of high voltage power line distribution, switchyards and substations

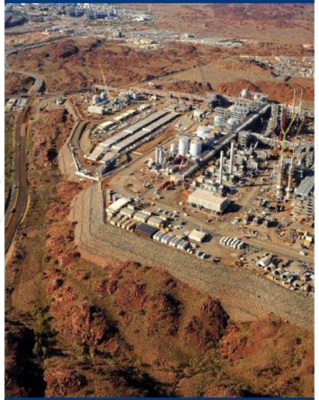
scee construction

installation and commissioning of greenfield projects

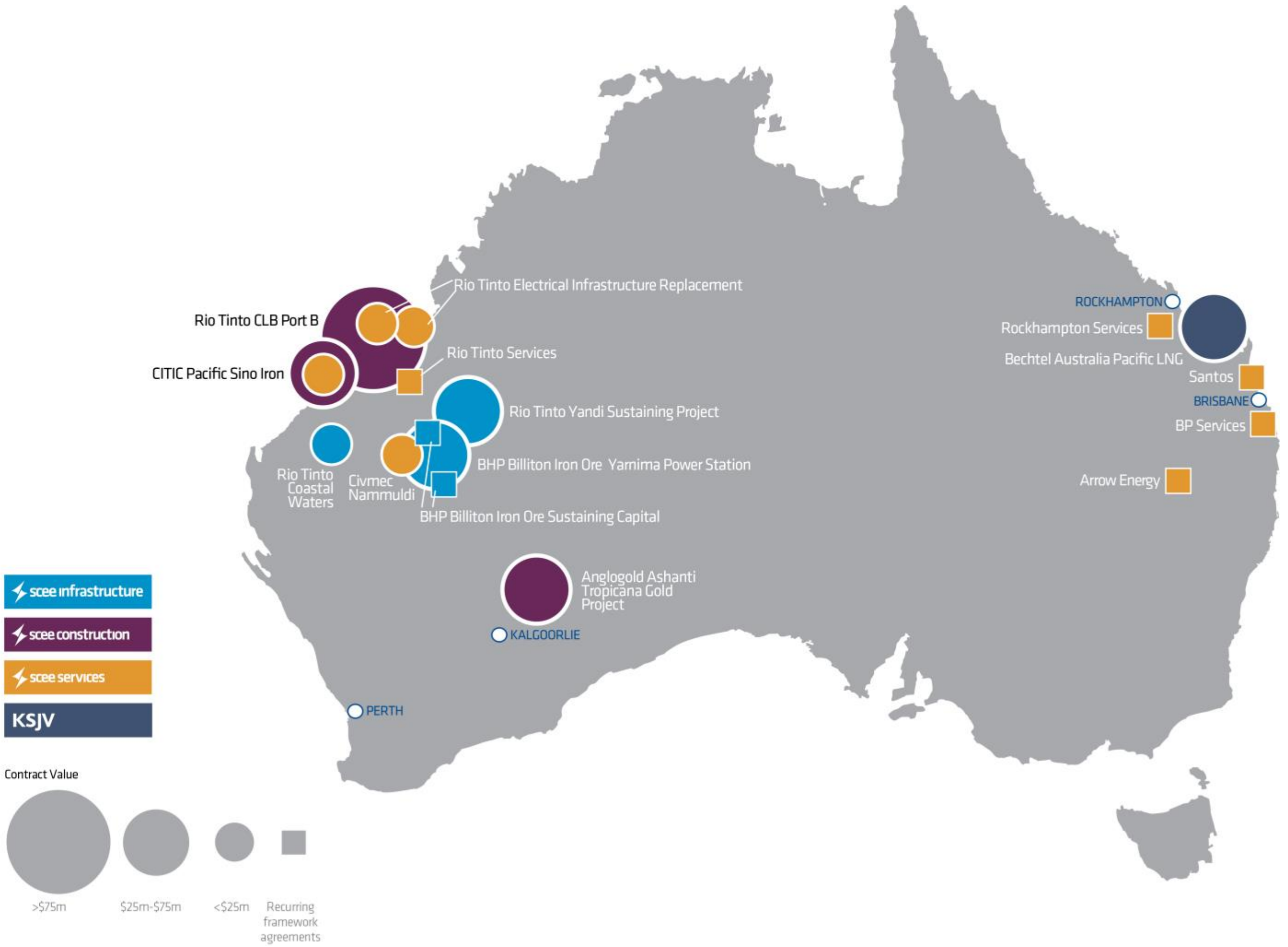
scee services

operations support, maintenance, brownfield upgrade and sustaining capital services

Exposure to six sectors

Iron ore	Minerals & metals	LNG	CSG	Coal	Power generation
					
Australia	Australia & overseas	Australia	Australia	Australia	Australia

FY14 projects



Key contract wins

Rio Tinto Cape Lambert Port B Phase B
- Approximately $80m of E&I works awarded
- Follows successful completion of Phase A works

BHP Billiton Iron Ore Yarnima Power Station
- SCEE's first power station project
- Over $25m of scope awarded to date

KSJV – Bechtel Australia Pacific LNG
- First LNG award for KSJV with expected value over $50m
- Bechtel subcontract for electrical installation services

Rio Tinto Electrical Infrastructure Replacement
- Installation of new electrical equipment at Cape Lambert and East Intercourse Island
- Approximately $20m awarded to SCEE Services to date

CITIC Pacific Sino Iron
- Secured approximately $80m of E&I works on the next construction phase of the project since year end
- Further opportunities exist for additional work

Full year financial results

	FY14 $m	FY13 $m	Change %
Revenue	218.2	278.0	(21%)
Gross profit	43.8	61.3	(29%)
Gross margin	20.1%	22.1%	
EBITDA	17.9	31.2	(43%)
EBIT	10.6	25.3	(58%)
NPAT	7.7	17.3	(55%)
Net Margin	3.5%	6.2%	

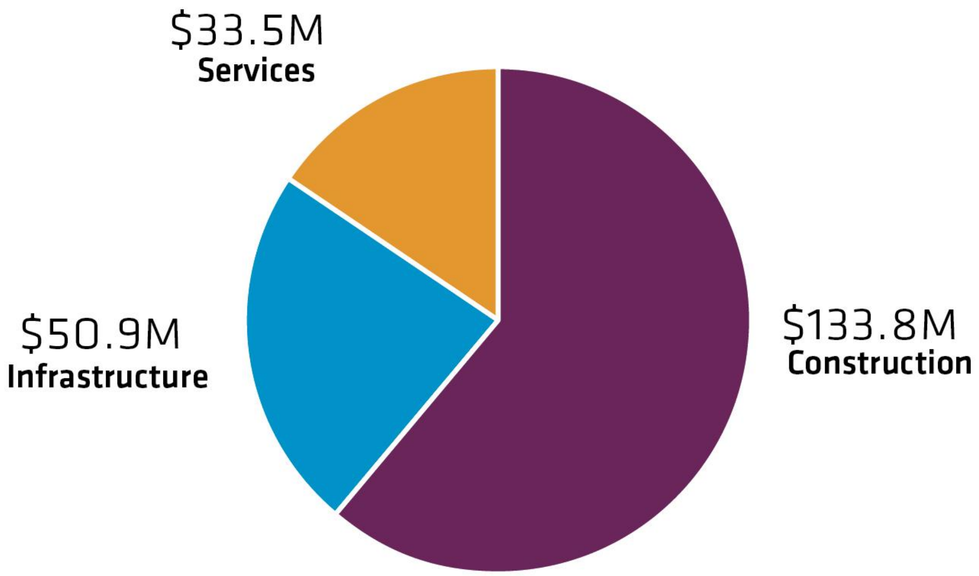
Revenue and profits down on record FY13 results

Results impacted by later than anticipated award and commencement of key projects

H2 margins lower as a result of increasingly competitive resources sector

Steps taken to manage overhead base to ensure appropriately sized with monthly overhead expense reduced by 27% from start to end of the year

Revenues by operating division



Main Contributors:

SCEE Infrastructure

- BHP Billiton Yarnima Power Station
- Rio Tinto Yandi Expansion
- BHP Billiton Iron Ore Sustaining Capital

SCEE Construction

- Rio Tinto Cape Lambert Port B Phase A and Phase B
- AngloGold Ashanti Tropicana Gold

SCEE Services

- Rio Tinto Services
- CITIC Pacific Sino Iron
- Rio Tinto EIR program

Balance sheet

	Jun 14 $m	Jun 13 $m
Current assets	98.6	106.7
Non current assets	48.0	51.0
Total assets	146.6	157.7
Current liabilities	34.6	43.8
Non current liabilities	7.8	12.6
Total liabilities	42.3	56.4
Equity	104.3	101.3

Strong balance sheet

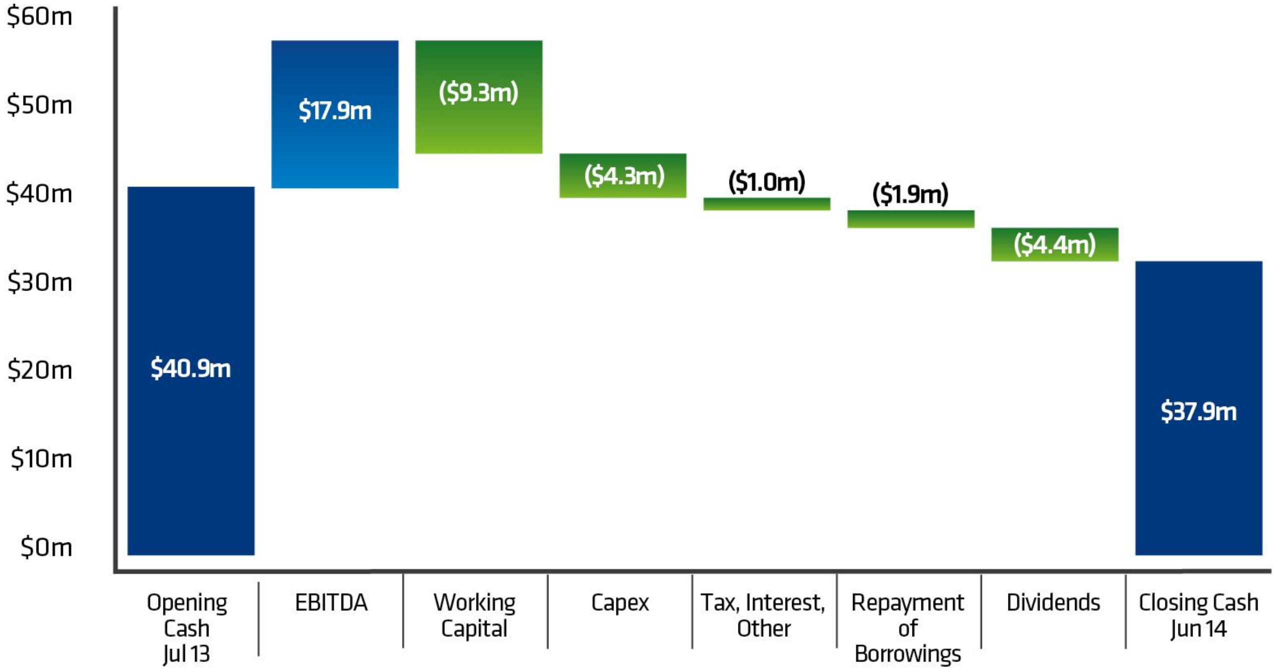
Cash of $37.9m at 30 June 2014 with a further $10.9m of client receivables due in late June received in early July

Minimal debt of $2.7m

Low capital expenditure of $4.3m in the year following plant and equipment fleet expansion in FY12 and FY13

Capex for FY15 expected to remain low

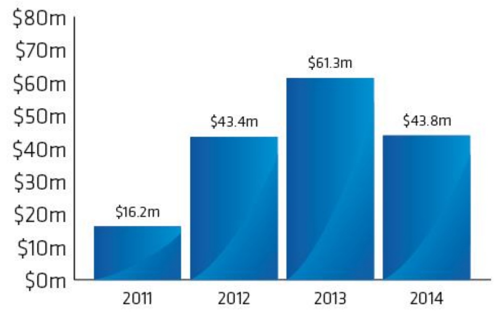
Cashflow



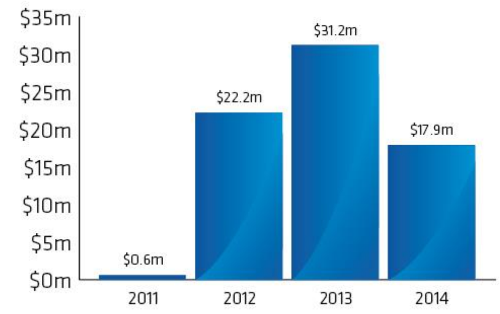
$60m
$50m
$40m
$30m
$20m
$10m
$0m
$40.9m
$17.9m
($9.3m)
($4.3m)
($1.0m)
($1.9m)
($4.4m)
$37.9m
Opening Cash Jul 13
EBITDA
Working Capital
Capex
Tax, Interest, Other
Repayment of Borrowings
Dividends
Closing Cash Jun 14

Financial trends

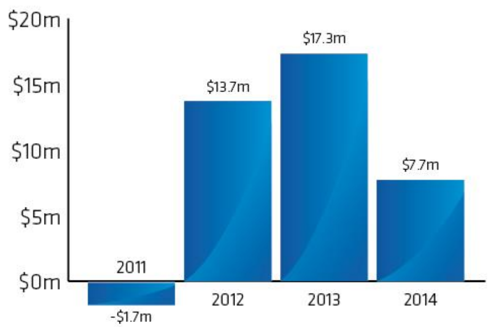
Revenue



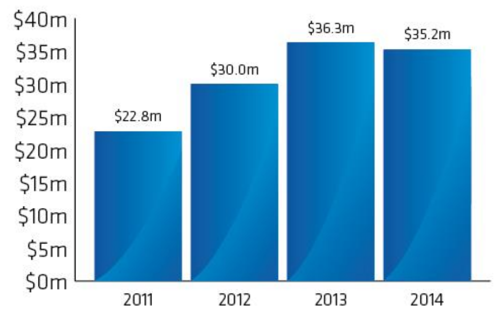
Gross Profit



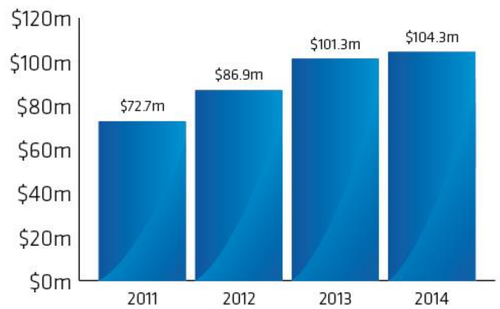
EBITDA



Net Profit After Tax



Net Cash



Net Assets

Dividends

Fully franked dividend of 2.7 cps declared

Same as FY14 dividend in absolute terms

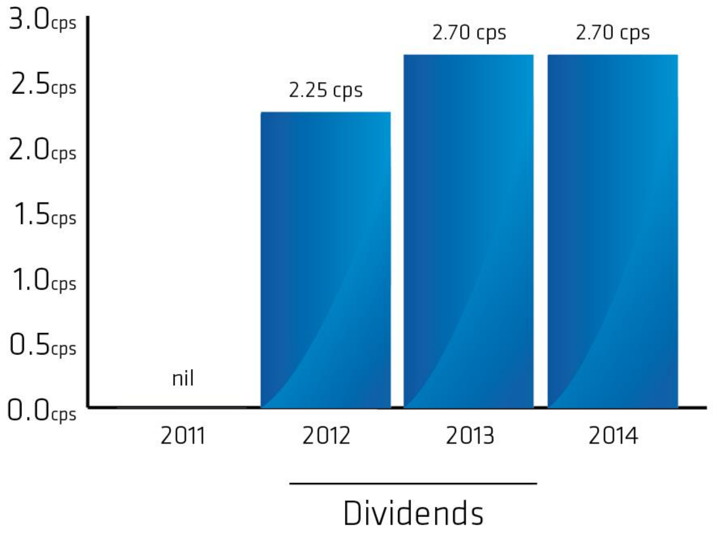
Payout ratio of 56% compared to 25% in FY14

Strikes balance between delivering returns to shareholders and retaining capital for growth opportunities

Record date: 22 September 2014

Payment date: 16 October 2014

Franking account balance at 30 June 2014 of $8.2m



Health and safety

Lost Time Incident free in the period

Over ten years LTI free in Australia

Reflective of the proactive safety culture across the whole of SCEE from the Board to our project teams

SCEE awarded the NECA-WA 2014 "Health & Safety Award" for work on Rio Tinto Yandi Sustaining Project

Training and people

Approximately 1000 employees at 30 June 2014 and remain at similar levels as activity continues on key projects

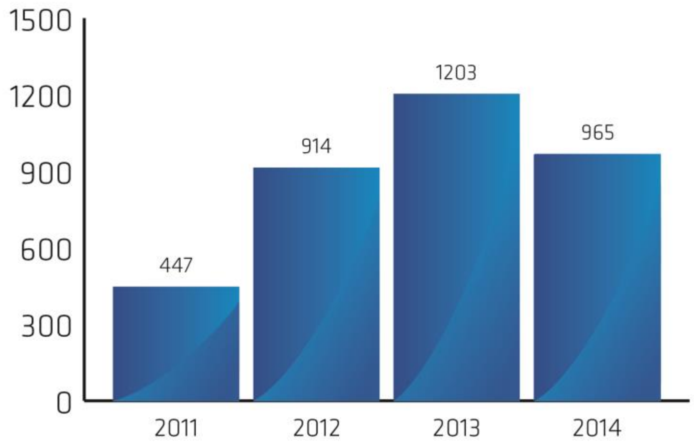
Dedicated training centre provides cost effective and flexible training schedules to ensure efficient mobilisation of project teams

Strong commitment to indigenous participation

Kyle Matsumoto awarded NAIDOC Employee of the Year Award at Rio Tinto's Cape Lambert site

Apprenticeship program has been running since 1979

SCEE apprentices won the NECA-WA 2014 Excellence and Apprentices Awards in the 3rd and 4th year categories



Employees at 30 June

Order book

Order book at 30 June 2014 of $111m excludes work under recurring framework agreements

A further $119m of orders secured post year end

Construction awards at CLB Phase B and Sino Iron provide good visibility into FY15

Business development and tendering activity remains high across the business

Market conditions

Competition increased significantly during the year as volume of new construction work decreased

Clients became more commercially focussed

Increase in time taken to bid and negotiate contracts leading to delayed awards

Move away from EPCM model as clients seek contractors providing an integrated offering resulting in increased combined SMPE&I packages

We expect these trends to continue into FY15 and beyond

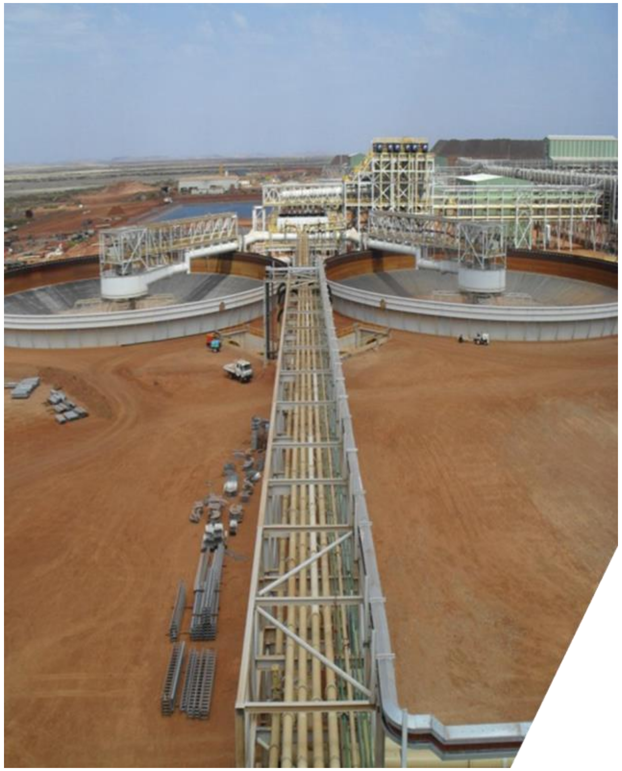
Iron Ore

Peak construction in iron ore has passed but will remain main revenue contributor

Current order book for CLB Phase B and Sino Iron provide solid base of construction work for FY15 and into FY16

Secured approximately $80m of Sino works to date across process lines 3 to 6 with opportunity for further growth as the project progresses

Visibility of new mine developments in Rio and BHP to maintain production levels



Sustaining Capital and Operations & Maintenance

SCEE strongly positioned with Rio Tinto, BHP and Sino Iron and exposed to construction, sustaining capital and operations phases - E&I component of spend increases from 3-5% in capital phase to 12-15% in later phases

BHP Iron Ore Sustaining Capital framework agreement provides growth opportunity in FY15

Expect growth in Rio Tinto sustaining capital spend

Positioning for Sino operations & maintenance works as now in production

LNG and CSG

Peak construction in LNG and CSG still to come

Disappointing not to secure more of initial awards on LNG plants but hopeful of securing further work

KSJV subcontract for electrical services with Bechtel on APLNG provides presence on Curtis Island into FY15

Positioning for operations & maintenance and sustaining capital workflow over long term as LNG plants completed

Second wave of upstream CSG works on East Coast now being tendered and clients shifting from tier one to tier two contractors

Mining

Visibility of new base metals projects in copper, gold and nickel sectors

Actively pursuing EPC model with partners to perform some of these projects

Signs of recovery in thermal coal market on East Coast (Adani, Cockatoo)

Continuing to monitor opportunities to return to international construction work

Longer-term pipeline

Construction pipeline in Iron Ore with Sino likely to extend into FY16 and FY17 and new mine developments required by BHP and Rio Tinto

LNG construction phase to continue through to FY17 – targeting secondary opportunities

Upstream CSG requires long term expenditure to maintain production

New base metals projects and signs of recovery in coal

Strategy

Maintaining and growing construction opportunities ($133.8m revenue in FY14) but in different form through combined offering with SMP and EPC

Focused on substantially increasing recurring revenues from operations & maintenance and sustaining capital over three to five years through organic growth and acquisition opportunities (targeting $100m-$150m p.a. by FY16)

Actively monitoring and evaluating potential growth and acquisition opportunities particularly in SMP

Expect consolidation in the sector as companies seek to maintain scale, capability and service required by clients

Solid operating platform

Strong balance sheet and order book at 30 June 2014

Proven operational processes and systems successfully delivered CLB Phase A and Tropicana Gold on time and budget

Actively managing overhead base to ensure appropriate balance between cost control and operational effectiveness

New ERP and SCEEtrak suite of project controls implemented during the year and are driving efficiency improvements to counter margin pressure

Over $35m invested in systems and fixed assets since FY12 which provides operational benefits as well as savings from reduction in hired equipment

Andy Ozolins commenced as COO in August 2014 and brings significant industry experience. SCEE's management team has good breadth and depth for the right acquisition target

Conclusion

FY14 saw significantly tougher resource sector conditions which we expect to continue into FY15

But we enter the year with a solid balance sheet and near record order book and continue to see a strong pipeline of available work

Operations & maintenance and sustaining capital opportunities are increasing as capex projects are completed

Actively managing overheads through leveraging investments in systems and process improvements to increase efficiency and counter margin pressure

Monitoring and evaluating potential growth and acquisition opportunities in a consolidating market

Non-IFRS financial information

SCEE’s results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore considered non-IFRS financial measures. The non-IFRS measure should only be considered in addition to, and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

EBIT and EBITDA are a non-IFRS earnings measure which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to EBIT and EBITDA presented by other companies. EBIT represents earnings before interest and income tax. EBITDA represents earnings before interest, income tax, depreciation and amortisation.

EBIT and EBITDA Reconciliations:

	FY11 $m	FY12 $m	FY13 $m	FY14 $m
Profit before tax	(1.9)	19.7	25.0	10.5
Finance expense	1.0	0.8	1.2	1.1
Finance income	(0.2)	(1.1)	(0.9)	(1.0)
EBIT	(1.1)	19.4	25.3	10.6
Depreciation	1.6	2.7	5.8	7.1
Amortisation	0.1	0.1	0.1	0.2
EBITDA	0.6	22.2	31.2	17.9

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Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Southern Cross Electrical Engineering Limited's current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.