2014 Full Year Results

18 February 2015

Zimi Meka - Chief Executive Officer, Craig Allen - Chief Financial Officer

2014 Highlights

74%

REVENUES FROM THE AMERICAS

2013: 62%

↓42%

2.14 TRIFR LOWEST IN OUR HISTORY

2013: 3.71

12%

OF OPTIMISE REVENUES

2013: 7%

20.5 million

MANAGED WORKED MAN HOURS

2013: 17.7 MILLION

7.7 million

MAN HOURS LTI FREE AT CONSTANCIA

27%

REVENUES FROM NON-MINING SECTORS

2013: 20%

Operating returns demonstrate positive benefits of long term diversification strategy

Financial performance

- 2014 results impacted by weaker market conditions so that:
  - Reported 2014 EBITDA loss of $15.4 million (2013 loss $21.8 million)
  - Reported 2014 NPAT loss of $25.0 million (2013 loss $35.2 million)
- Underlying EBITDA of $1.4 million in line with recent guidance
- Further diversification of baseline revenues through growth in asset optimisation services and operations and maintenance solutions which made up 12% of 2014 revenues compared to 7% in 2013
- Achieved $29 million in controllable cost savings in 2014 and on track to deliver a further $20 million in 2015

Balance sheet

- Net debt $43.1 million – net gearing of 16.0%
- Operating cash outflow of $9.2 million

Work on hand

- Solid start to 2015 with many recent awards contributing to current $133 million work on hand and work already delivered

Revenue 2014

$357.2m

2013: $453.9m

Underlying EBITDA 2014

$1.4m

2013: $27.1m

Underlying NPAT 2014

$(10.2)m

2013: $6.8m

Revenue diversification and cost control to drive performance

Business responding to market conditions

- The strategic expansion of our service offering to cover all phases of a project's lifecycle helped us win new business from companies seeking to improve the productivity of their assets and reduce operating costs
- Executive management team has been restructured to be closer to all organic growth and revenue opportunities
- Achieved $29 million in controllable cost savings in 2014 and on track to deliver a further $20 million in 2015

Global diversification provides resilience

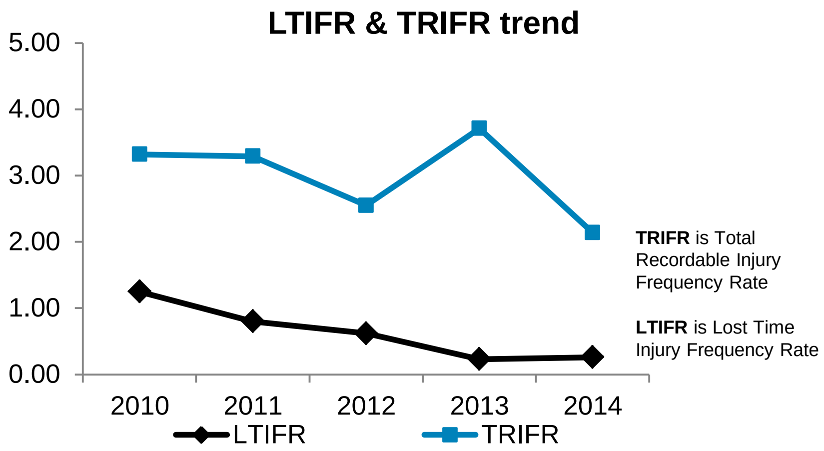
- 88% of 2014 revenues from non-Australia based projects
- Over 97% of current work on hand to be delivered in 2015 is from non-Australian projects

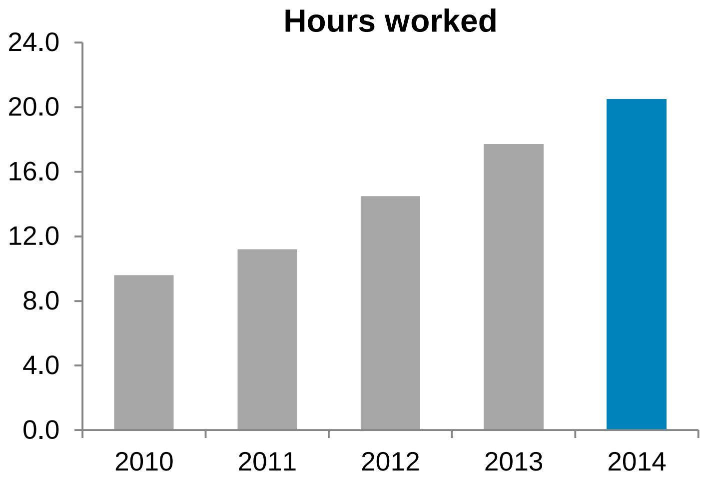
Business strategy to deliver long term sustainable earnings

- 14% of 2015 revenue expected to be generated from North American oil & gas markets, in part contributing to over 40% of 2015 revenues anticipated to be from non-mining sectors

Our people and their safety are our priority

- TRIFR frequency rate reduced 42% from 3.71 to 2.14, the lowest in the Group's history
- LTIFR frequency rate has risen slightly in 2014 to 0.26 from 0.23
- Managed 20.5 million man hours, up 15% from 17.7 million man hours managed the year before
- Safety highlights included:
  - 7.7 million man hours LTI free at Constancia project, Peru
  - 6.0 million man hours LTI free at Ad Duwayhi project, Saudi Arabia
  - 3.2 million man hours LTI free at Kwale project, Kenya (project completed February 2014)
  - 1.0 million man hours LTI free at Goldstrike project, USA
  - 0.9 million man hours LTI free at Cytec project, Canada (project completed August 2014)





Ausenco

Financial Review

Ausenco

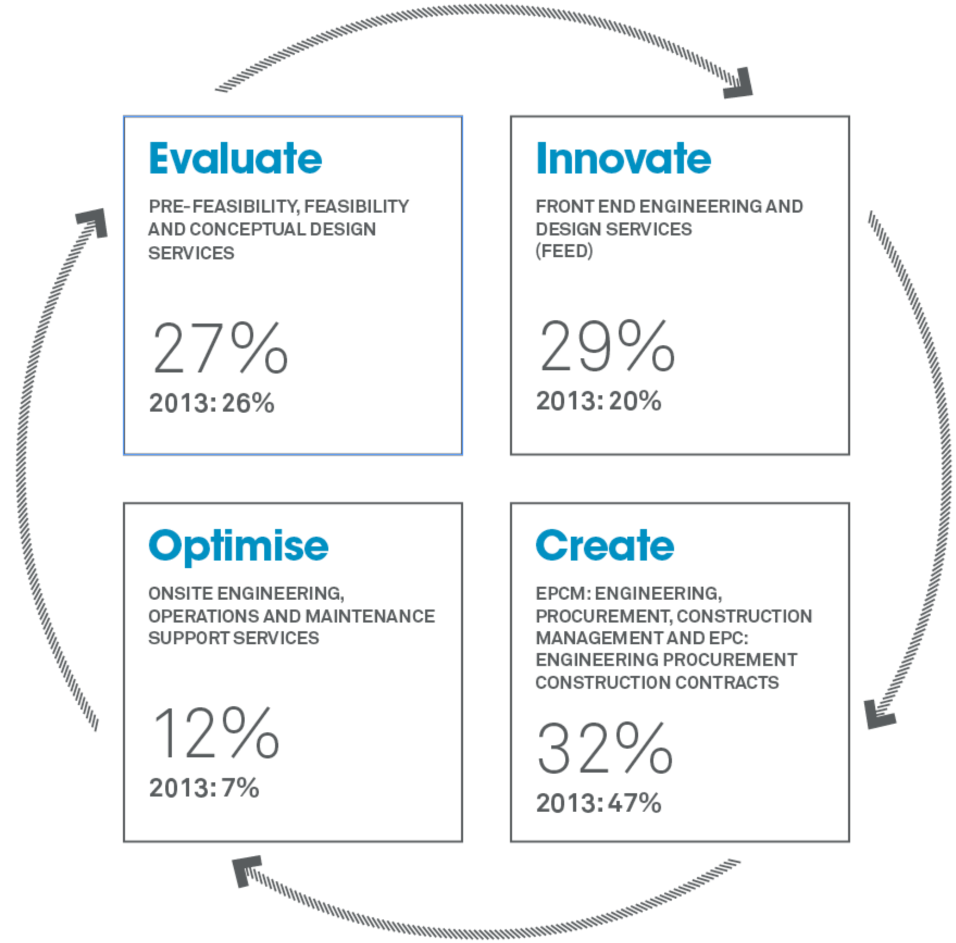
Delivered $29 million in cost-outs in 2014; on track for another $20 million to improve 2015 returns

Twelve months to 31 December ($m)	2014	2013
Revenue from operations	**357.2**	453.9
Underlying EBITDA	**1.4**	27.1
Underlying EBITDA margin (%)	**0.4%**	6.0%
Net profit/(loss) before tax	**(29.5)**	(40.9)
Attributable profit/(loss) after tax	**(25.0)**	(35.2)
Underlying earnings	**(10.2)**	6.8
Basic earnings per share (cents)	**(15.0)**	(25.0)
Operating cash (out)/in flow	**(9.2)**	9.0
Dividend per share (cents)	**-**	-

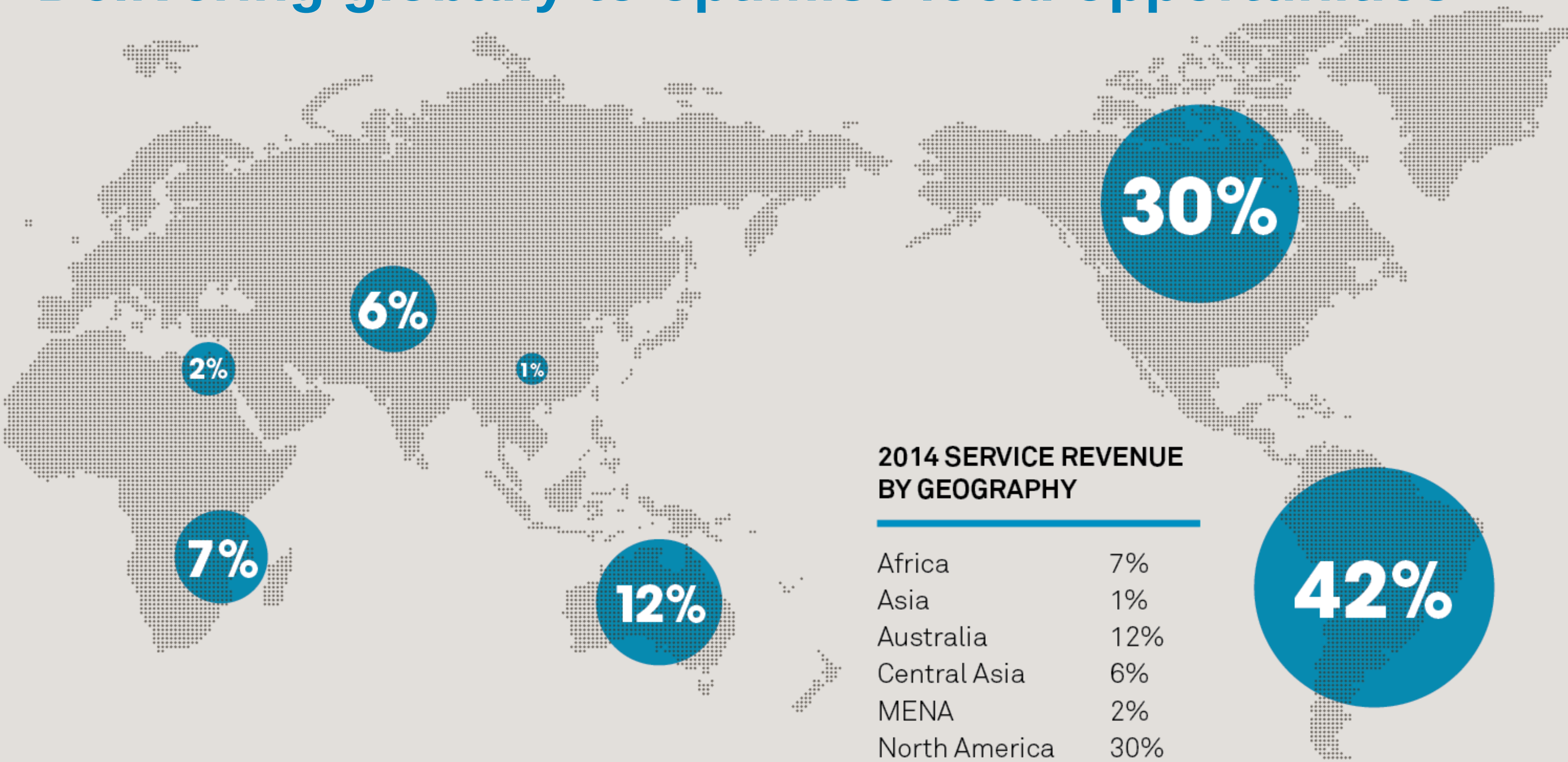
2014 service revenue by region

Revenue diversity across key markets

- 88% of the total revenue of $357 million was from **non-Australia** based projects
- Over 95% of $133 million work on hand and already delivered in 2015 is from **non-Australian** projects
- Over 27% of 2014 full year revenues are from non-mining sectors (40% anticipated in 2015)
- Pre-development Evaluate and Innovate phase revenues at $200 million in 2014, targeting $210 million in 2015
- Evaluate and Innovate phase assignments continue to provide an important early entry into Create phase project developments
- Optimise phase recurring revenues now represent 12% of annual revenue and growing, with increasing levels of project optimisation, asset improvement and increased productivity work being awarded



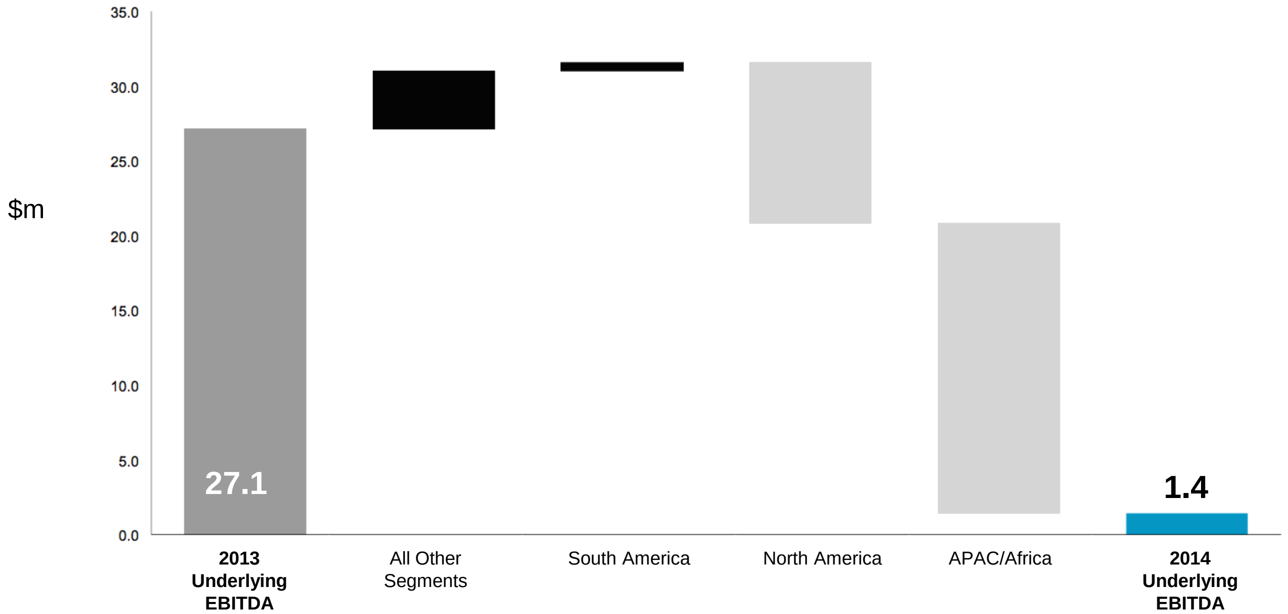
Delivering globally to optimise local opportunities



2014 SERVICE REVENUE BY GEOGRAPHY

Africa	7%
Asia	1%
Australia	12%
Central Asia	6%
MENA	2%
North America	30%
South America	42%

Growth in South America copper work; offset by lower resource activities elsewhere



- **South America** – Underlying EBITDA up $0.6 million to $14.2 million, despite revenues down $5.7 million to $122.7 million, including successfully delivering Constancia copper project in Peru
- **All other segments** – $3.9 million lower costs for corporate and regional services reflecting better overhead management and right-sizing initiatives
- **APAC/Africa** – Revenues down $85.3 million to $93.5 million, with underlying EBITDA down $19.4 million reflecting challenging market conditions in the resources sector
- **North America** – Revenues down $13.8 million to $140.3 million, with underlying EBITDA down $10.7 million to $3.8 million including strong growth for oil & gas

Improved cash flow from operations in tighter working capital environment

- Operating cash flow pre working capital improved $3.9 million in 2014
- Improved cash flow from operations before working capital movements
- Higher net financing expenses of $1.0 million attributable to obtaining refinancing extension
- Oracle ERP platform enhanced across the business with new global real-time management reporting tool implemented (iRIS); will provide greater transparency of business and project performance
- 2015 planned PPE capital expenditure expectations to be no higher than 2014 levels

Operating cash flow ($m)	2014	2013
EBIT	(25.2)	(37.5)
Depreciation and amortisation	9.8	15.7
Goodwill impairment	10.0	12.5
Cash from operations pre working capital	**(5.4)**	**(9.3)**
Net working capital dec/(inc)	6.4	29.9
Billings in advance (dec)/inc	(4.4)	(0.5)
Tax paid	(1.5)	(7.7)
Net financing expenses	(4.3)	(3.4)
Cash from operations	**(9.2)**	**9.0**

Investing cash flow ($m)	2014	2013
PPE capital expenditure (net)	(1.3)	(2.1)
ERP capital expenditure	(1.0)	(7.8)
Business acquisition payments	(0.7)	(16.3)
Cash from investing	**(3.0)**	**(26.2)**

Successful bank refinancing with excess facility capacity available

- Successful refinancing of $33.1 million of Canadian dollar denominated borrowings with financiers
- Significant bonding and funding capacity of $48.7 million available under facilities
- Scheduled borrowings repayments of $8.8 million made during 2014
- 85% of Ausenco's total borrowings are now denominated in CAD and USD - natural hedge to adverse P&L foreign currency movements
- Strong balance sheet with revaluations of USD and CAD increasing reported AUD borrowings by $1.8 million
- Financiers agreed to modified financial covenants to be satisfied in 2015 as well as a review in mid 2015 of an extension of the facility terms beyond the 2016 dates

Funding summary ($m)	2014	2013
Total facilities	125.3	151.7
Less: Cash facilities utilised	(61.2)	(59.0)
Less: Non cash facilities utilised	(15.4)	(20.7)
Available facilities	48.7	71.9
Plus: Cash	22.5	37.6
Total cash/funding facilities available	71.2	109.5
Facility utilisation	61%	53%

Key financial ratios	2014	2013
Net debt	43.1m	24.7m
Net gearing ratio*	16.0%	8.7%
Average cost of bank debt	4.6%	2.8%
Average debt maturity	1.2 yrs	1.2 yrs
Underlying EBITDA coverage	0.3x	6.7x

* Net gearing ratio = net debt / (net debt + equity)

Operational Review

Ausenco

South America

- Successfully delivering one of South America's largest copper projects, at some of the world's lowest capital intensity values, providing Ausenco with a landmark outcome on the Constancia copper project
- Shortages in copper supply against growing demand into 2018 will drive further development and extension of copper operations in the region
- Brazil has delivered to expectations in completing the engineering and CQA on the world's longest iron ore slurry pipeline (529km)
- Chile was softer than anticipated as water, infrastructure, environmental and community issues delayed a number of projects in the year

7.7

MILLION MAN HOURS LTI FREE AT CONSTANCIA

Revenue 2014	Underlying EBITDA 2014	Underlying EBITDA margin 2014
$122.7m	$14.2m	11.6%
2013: $128.4m	2013: $13.7m	2013: 10.7%

North America

- Right-sizing initiatives are anticipated to deliver improved earnings and greater flexibility and responsiveness to client service levels
- Continued with the delivery of the Goldstrike project as well as progressing on a number of newly awarded Evaluate and Innovate assignments
- Ausenco's oil & gas team delivered a strong result during the year, particularly as it is focused on delivering into the brownfield wellhead design and engineering markets in Alberta
- The oil & gas business now contributes 11.5% of Group revenues and through our continued growth in the area, we now work with 20% of Canada's top oil sands producers
- Infrastructure work remained relatively stable, with many new awards in municipal infrastructure

1.0

MILLION MAN HOURS LTI FREE AT GOLDSTRIKE

Revenue 2014	Underlying EBITDA 2014	Underlying EBITDA margin 2014
$140.3m	$3.8m	2.7%
2013: $154.1m	2013: $14.5m	2013: 9.4%

APAC/Africa

- Market conditions remained challenging in the resources sector across the APAC/ Africa region
- Right-sizing initiatives undertaken and greater use of value engineering centre in Mumbai are expected to deliver significant improvements in profitability for 2015 and beyond
- The Ports and Terminals Infrastructure business has doubled in size during the year and has won more than 40 assignments in its first 18 months, assisting in diversification of the revenue base
- Continued growth expected in our optimisation and asset management services going forward as organisations switch their focus from new capital investments to maximising asset performance and reducing operating costs
- Lower near term growth prospects have resulted in reassessment and impairment of goodwill value

6.0

MILLION MAN HOURS LTI FREE AT AD DUWAYHI

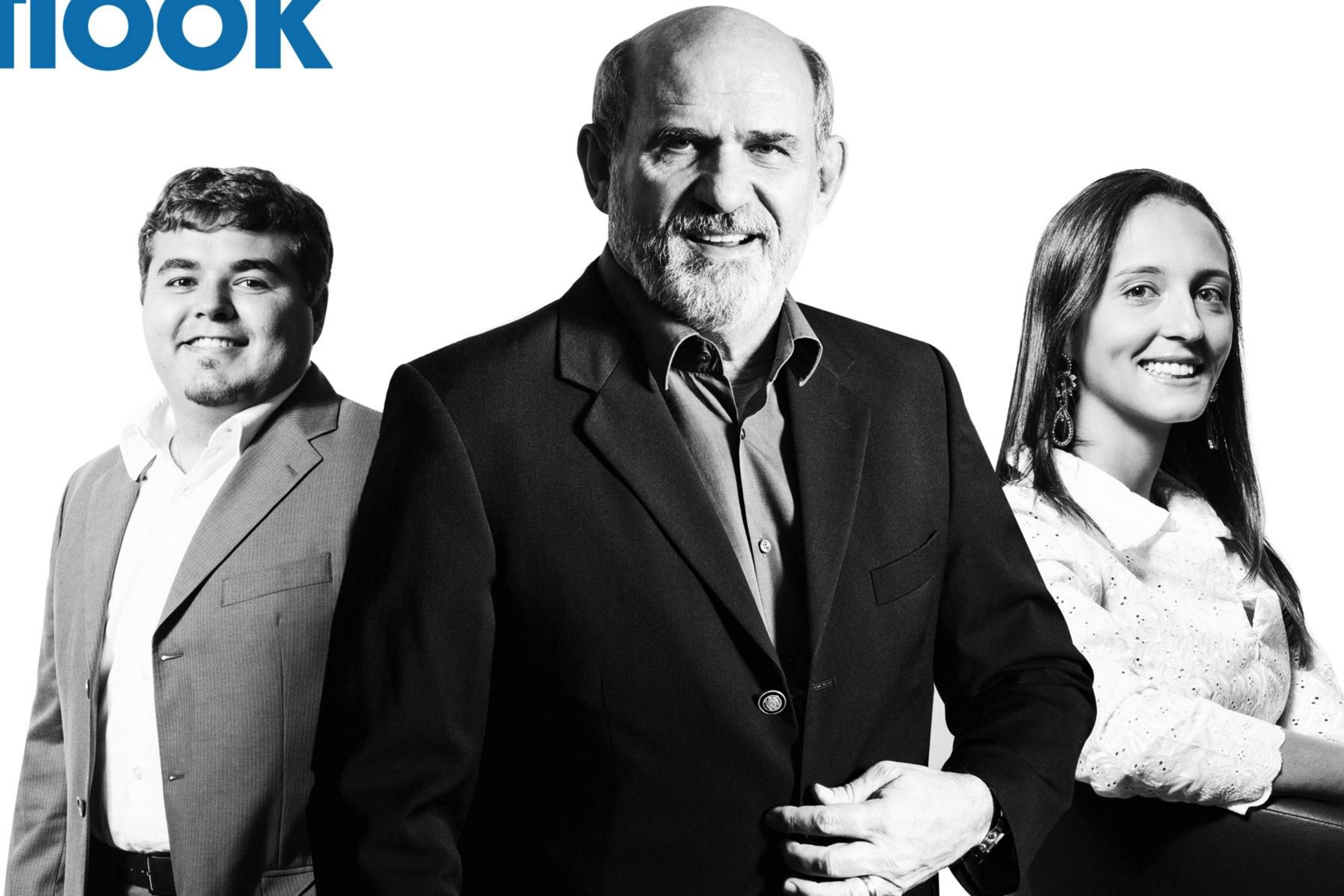
Revenue 2014	Underlying EBITDA 2014	Underlying EBITDA margin 2014
$93.5m	$(8.9)m	(9.5)%
2013: $170.8m	2013: $10.4m	2013: 6.1%

Business line restructure in 2013 now providing increased opportunities to grow market share

- Change to regional reporting to reflect streamlined Americas organisational structure
- Modified regional executive leadership to improve response to local opportunities
- Right sizing initiatives undertaken and greater use of value engineering centres are expected to deliver significant improvements in profitability for 2015 and beyond

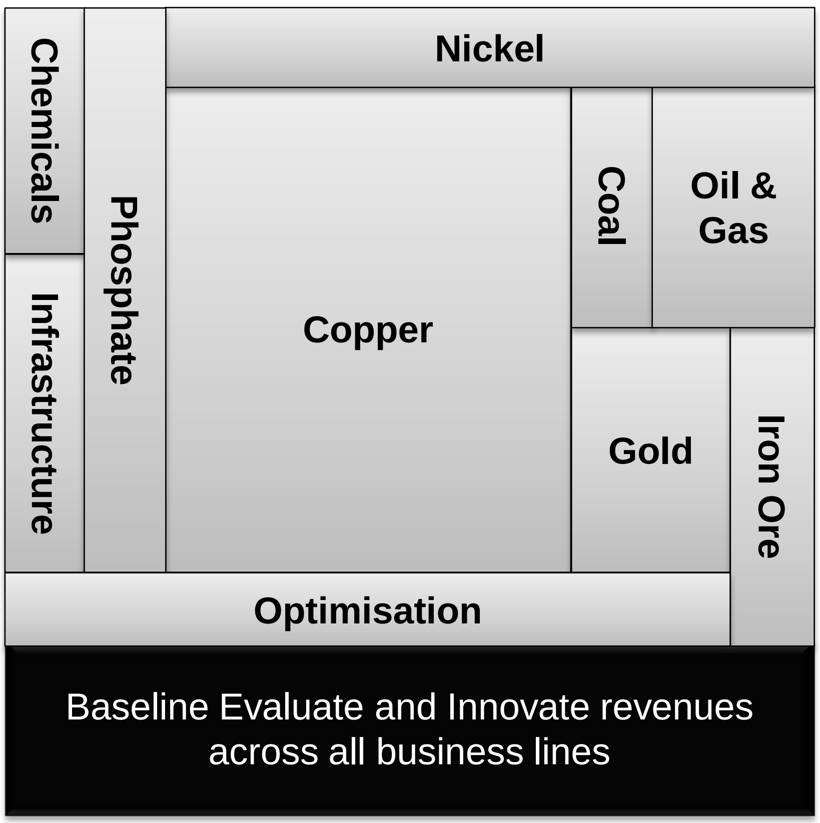
EBITDA $m	Reported EBITDA FY 14	Underlying EBITDA FY 14	Underlying EBITDA FY13
APAC/Africa	(9.5)	(8.9)	10.4
North America	2.4	3.8	14.5
South America	11.6	14.2	13.7
Other	(19.9)	(7.7)	(11.5)
Group results	**(15.4)**	**1.4**	**27.1**

Strategy and Outlook



Ausenco

Opportunities across all phases; growing market share on a profitable basis



Opportunities targeted outside Australia

97%

Work on hand and already delivered

$133m

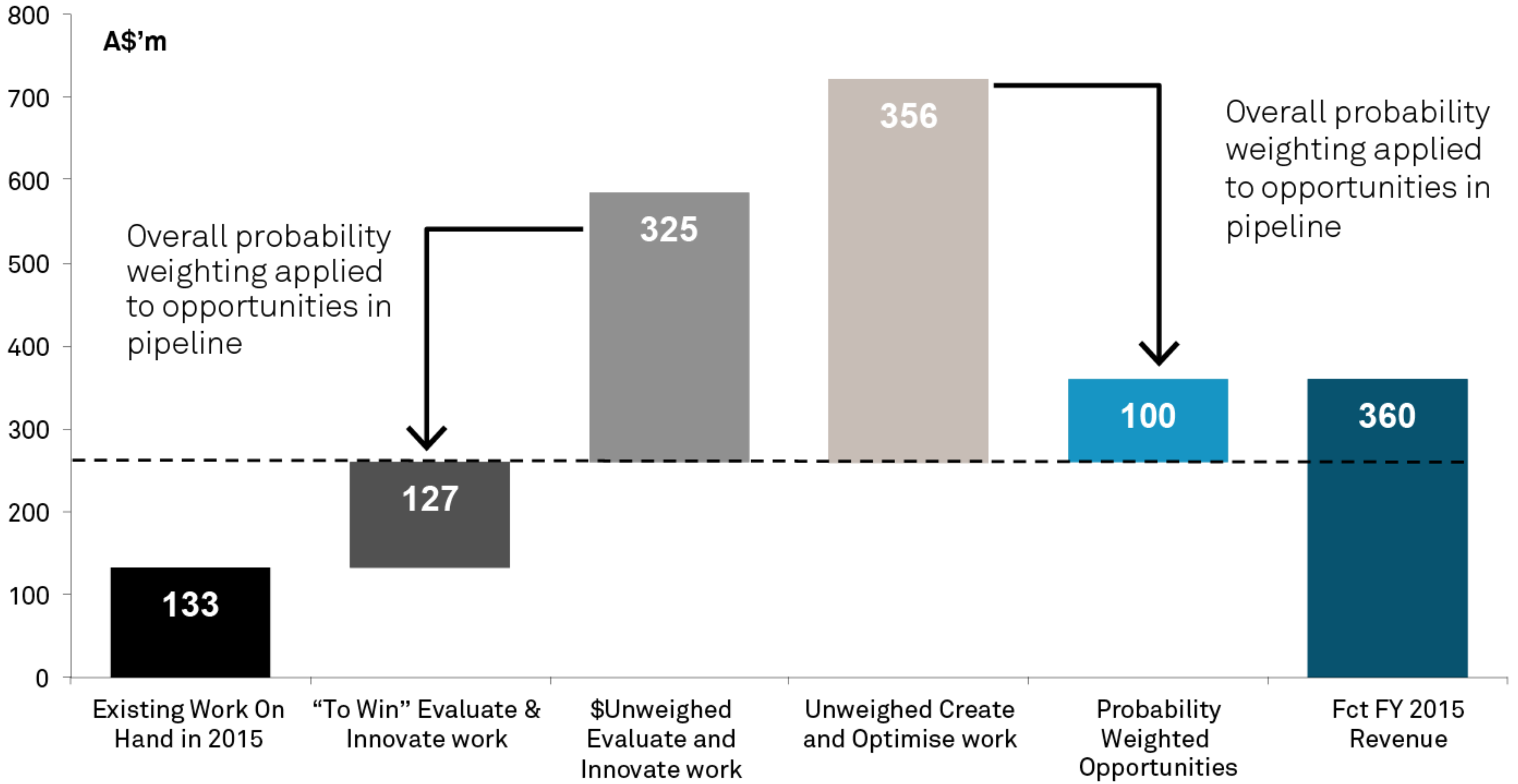
Current baseline Evaluate and Innovate phase opportunities

$325m

Current work activities or tenders expected to be progressed to next phase over the next 12 months

$1,211m

2015 Forecast Revenue $360m



Building long-term inspiring client relationships

- Rylson8 business optimisation software is expanding its client base across energy and resource sectors
- Full solution offering to clients from pre-development Evaluate phase through Create phase development, to include Optimise phase recurring revenues
- Client focus on lowering capital intensity resulting in a number value engineering projects being completed for projects anticipated to transition to development as capital expenditure on these projects is reduced
- Strategic presence across key markets and ‘normalising’ market conditions is creating strong pipeline of opportunities

Service revenue by client type

In summary

Business operating conditions

- The strategic expansion of our service offering to cover all phases of a project's lifecycle helped us win new business from companies seeking to improve the productivity of their assets and reduce operating costs
- Renewed focus on organic growth strategy to provide an enhanced and more balanced revenue mix

Ausenco addressing current market conditions

- Achieved $29 million in controllable cost savings in 2014 and on track to deliver a further $20 million in 2015
- Organisational restructure to flatten the structure and drive the focus on:
    - Winning new work
    - Project delivery
    - Improved margins

Diversification strategy providing sustainable long term growth opportunities

- 12% of 2015 revenue expected to be generated from North American oil & gas market
- In 2014 baseline revenues in asset optimisation services and operations and maintenance solutions were 12% of revenue
- In APAC/Africa the Ports and Terminals Infrastructure business has won more than 40 assignments in its first 18 months

Outlook and guidance

- Ausenco expects improved results in 2015 due to structural changes implemented within the business and the anticipated recovery in some of its markets

Appendices

Key growth areas in Ausenco's global markets

North America Infrastructure

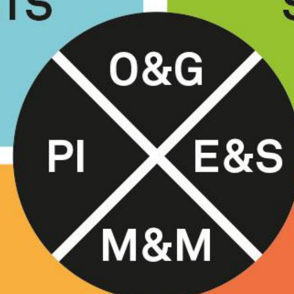
- Target of 92% increase to 7.1bn barrels of oil pipeline capacity out of Western Canada over the next five years
- British Columbia (BC) and industry collaborating to develop at least 3 of 20 LNG export terminals
- $5.9bn in annual municipal infrastructure investment in BC

NEXT 10 YEARS
$417 bn
NEW USA POWER PROJECTS

Canadian Oil & Gas

70%
OF TOTAL CAPITAL SPEND

- Annually $60 - $70bn of capital investment in oil & gas sector
- Currently Ausenco working with 20% of the top oil sands producers
- Continuing wellpad development of $200 million per annum to maintain demand



Global optimisation programs

- Simulation and Rylson8 software sales and services increasing
- Greater global opportunities for Optimise services; improves recurring revenue base
- Services and software providing significant client savings in operating plant performance

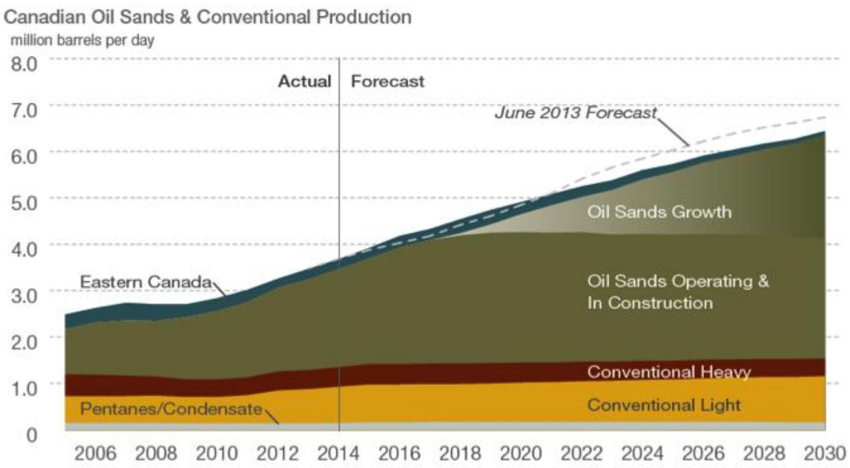
AWARDED BEST
COST SAVING
INITIATIVE

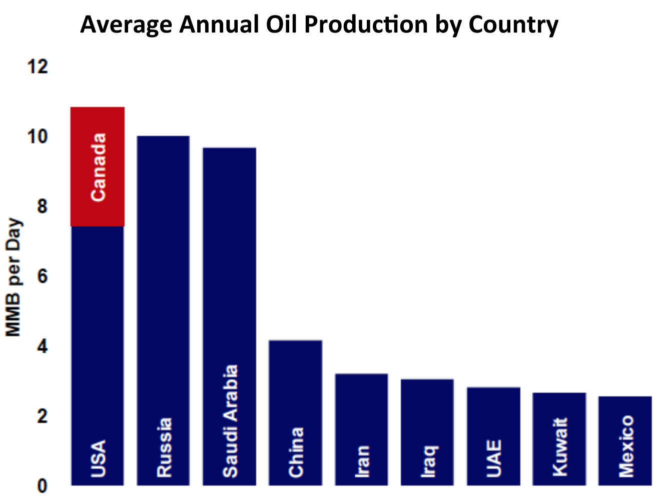
Peru & Chile Copper

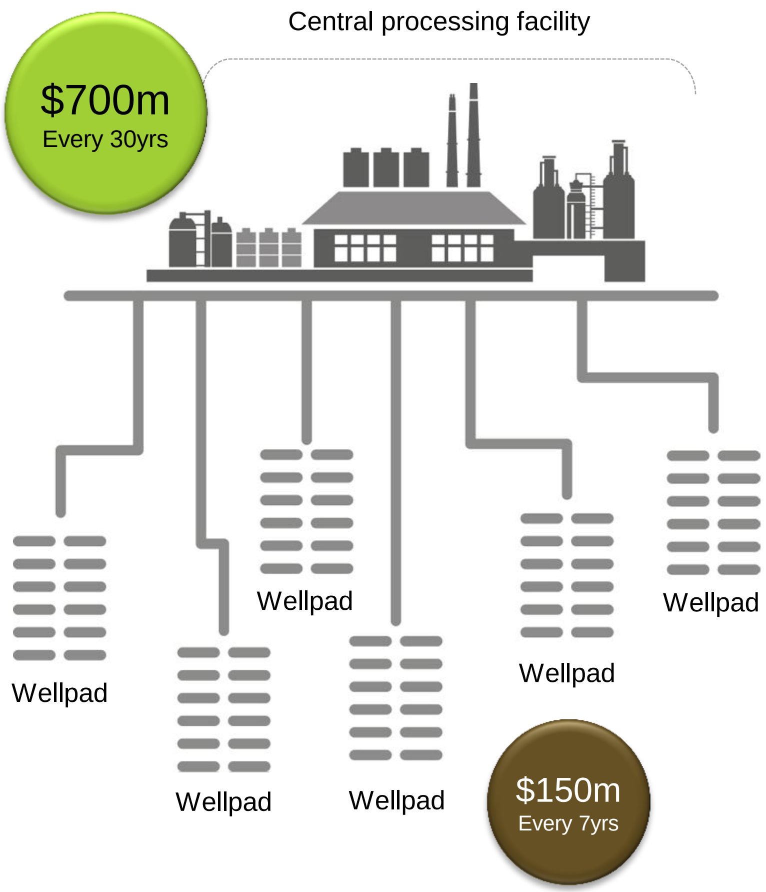
$41bn
PLANNED COPPER PROJECTS

- Chile and Peru hold 43% of the world's copper reserves
- Goldman Sachs estimates 40% of 2017 copper production will come from projects currently awaiting approval
- Innovation key to deliver lowest capital intensity concentrator outcomes

Canadian Oil & Gas







Annually $60-70bn CAPITAL investment in oil sands sector

Currently working with 20% of the top 20 oil sands producers

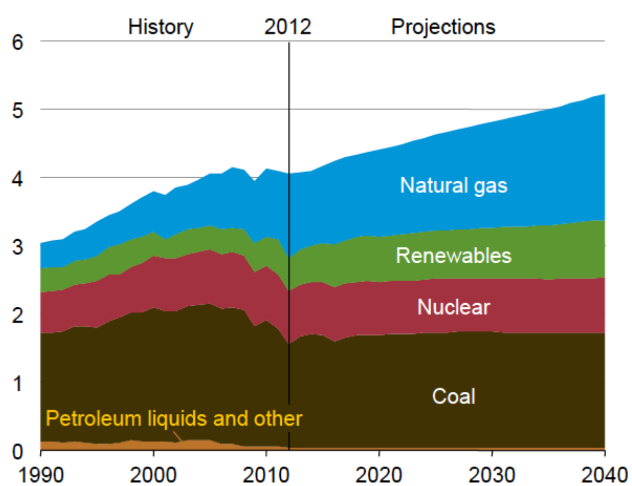
A wellpad produces approx 9,000-12,000 barrels/day

Maintenance & Sustaining Capital 70% total spend

Sources: EIA; ARC Financial Research 2014; Alberta Oil Magazine 2014; CAPP Crude Oil Forecast 2014; Company reports

North America Infrastructure

Figure ES-5. Electricity generation by fuel in the Reference case, 1990-2040 (trillion kilowatthours)



BC Municipal Infrastructure
$5.9bn
planned for 2015

New transmission & distribution investments
$297bn

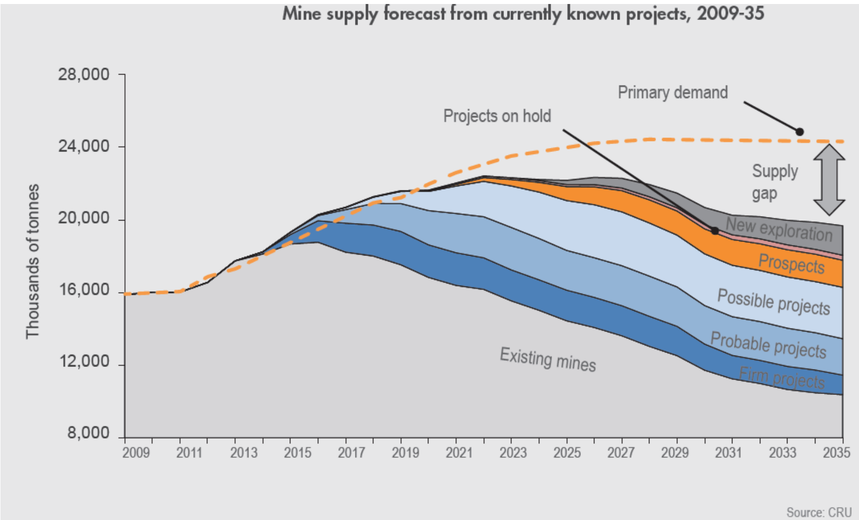
LNG terminals
$20bn
new investment

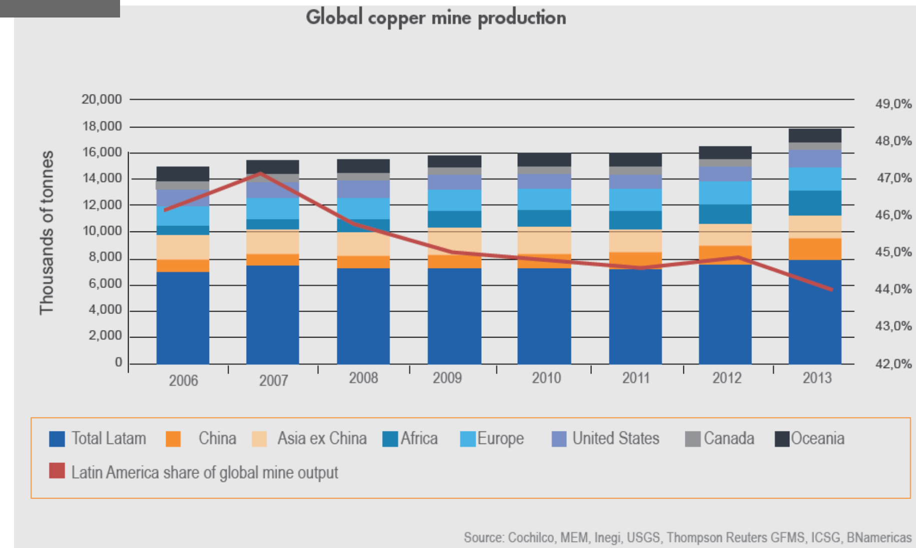
USA power generation
$120bn
next 10 years

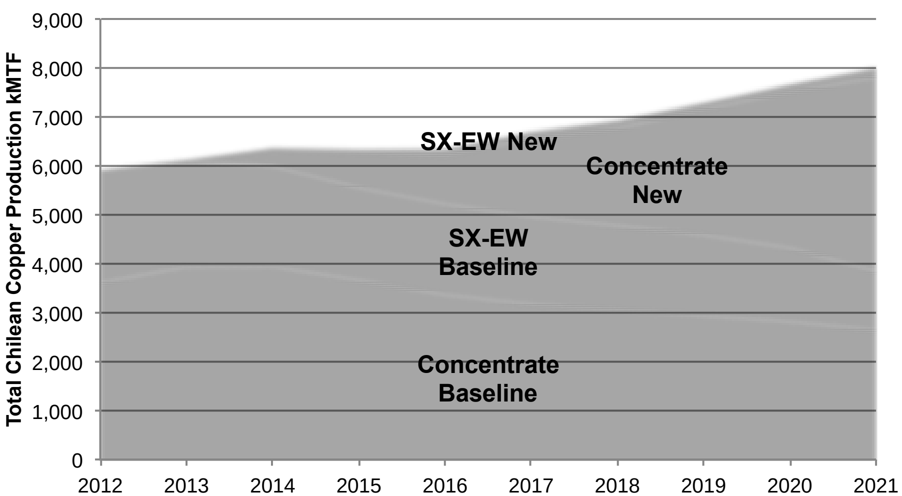
Ausenco

Sources: Canadian Association of Petroleum Producers with TransCanada overlay from TransCanada Corp; US EIA Annual Energy Outlook 2014 with projections to 2040; British Columbia Government LNG in BC website

Peru & Chile Copper







US$41bn in new Chile copper projects planned

Chile and Peru hold **43%** of world's copper reserves

Innovation key to deliver lowest capital intensity concentrator outcomes

Copper supply gap expected to drive new project demand

Sources: Goldman Sachs Copper 70*: "It might be "U" not "V""* 2 July 2014; BnAmericas *"Copper Outlook: Global Markets and Latin America's supply side role"* May 2014; Cochilco, MEM, Inegi, USGS, Thompson Reuters GFMS, ICSG; CRU

Global Optimisation Programs

" Our Driving Value programme is delivering improved operational performance,…"
Mr Mark Cutifani, CEO, Anglo American, May 2014

Simulation modeling assignment by BP to evaluate their planned Alaska Liquefied Natural Gas (LNG) project

TransCanada's multi-billion dollar capital and operating strategies for its ~2.5 million barrels per day Liquids Pipeline Network across North America

Dynamic simulation modeling of coal yard movements

95% CHPP asset availability (up from 91%) and **28%** reduction in unplanned outages at Isaac Plains led to productivity gains

Rylson8 Software sales delivering improved returns for clients in copper sector

Asset Optimisation program in coal delivery improved yield

17% cost savings delivered at Century Mine winning the best Queensland "Cost Saving Initiative" award

"the Company's bottom-up, data-driven approach to productivity is sustainable, scalable and a platform from which performance can be raised without limits."
Mr Andrew Mackenzie, CEO, BHP Billiton, May 2014

Moderating market conditions; lower level of restructure costs

- Onerous lease provisions due to under utilised office capacity
- Redundancy costs associated with right-sizing the business in current operating environment
- Goodwill write-off in APAC/Africa business line

Underlying results	EBITDA		NPAT	
$m	2014	2013	2014	2013
Underlying results	**1.4**	**27.1**	**(10.2)**	**6.8**
Onerous leases	(4.5)	-	(3.2)	-
Redundancy costs	(2.3)	(10.7)	(1.6)	(7.5)
Trade receivable write-offs	-	(8.2)	-	(5.8)
Work in progress write-downs	-	(7.7)	-	(5.4)
Underperforming contracts	-	(8.8)	-	(6.2)
Acquisition related costs	-	(1.0)	-	(0.7)
Impairment of goodwill	(10.0)	(12.5)	(10.0)	(12.5)
Accelerated amortisation	-	-	-	(3.2)
Forfeiture of foreign tax credits	-	-	-	(0.8)
Reported results	**(15.4)**	**(21.8)**	**(25.0)**	**(35.2)**

Returns across the full value chain

	Evaluate	Innovate	Create	Optimise
	Pre-feasibility, feasibility and conceptual design services	Front end engineering and design services (FEED)	Engineering, Procurement, Construction Management (EPCM) and Engineering Procurement Construction (EPC) contracts	Onsite engineering and operations and maintenance support services
Typical contract duration	3-12 mths	6-18 mths	2-4 years	4-5 years
FY 2014 Revenues $m	95.5	103.8	117.4	40.4
FY 2013 Revenues $m	119.3	90.0	213.8	30.9

- Create phase project delivery revenues provide medium term visibility and expected to grow as client capital commitments firm
- Strategic focus on cross-selling, broadening service capacity and increasing Create phase EPCM / EPC revenues
- Optimise revenue growing strongly and providing a stable recurring revenue stream