Appendix 4D

Half-Year Report

Name of entity

Ausenco Limited

ABN or equivalent company reference		Half year ended
31 114 541 114	Current reporting period	30 June 2015
	Previous corresponding period	30 June 2014

Results for announcement to the market

Extracts from this report for announcement to the market. **$A'000**

				Current period
Revenues from ordinary activities	Decreased	26.61%	To	135,154
(Loss) / profit from ordinary activities after tax attributable to members	Decreased	922.95%	To	(16,599)
Net (loss) / profit for the period attributable to members	Decreased	922.95%	To	(16,599)

Dividends (distributions)	**Amount per security**	**Franked amount per security**
Interim dividend declared subsequent to 30 June 2015	0.0 cents	0.0 cents
Previous corresponding period – interim dividend paid in respect of the half-year ended 30 June 2014	0.0 cents	0.0 cents
Date the interim dividend is payable	N/A	
Record date for determining entitlements to the interim dividend	N/A	
Conduit Foreign Income	N/A	

Dividend reinvestment plan
N/A

NTA backing	Current period	Previous corresponding period December 2014
Net tangible asset backing per ordinary security	$0.13	$0.24

The group did not gain or lose control of any entities during the reporting period.

Ausenco Limited
Interim financial report
For the half-year ended 30 June 2015

ABN 31 114 541 114

Ausenco Limited ABN 31 114 541 114

Interim financial report – 30 June 2015

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Ausenco Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

Directors' report

Your Directors present their report on the consolidated entity (referred to hereafter as the Group) consisting of Ausenco Limited and the entities it controlled at the end of, or during, the half-year ended 30 June 2015.

Directors

The following persons were Directors of Ausenco Limited during the whole of the financial period and up to the date of this report:

George Lloyd
Zimi Meka
Mary Shafer-Malicki
Bob Thorpe
Hank Tuten
Peter Gregg

Principal activities

During the period the principal continuing activities of the Group consisted of the provision of engineering, construction and project management services to the resources and energy markets. The Group provides full project lifecycle solutions to clients in the minerals processing, pipelines, transportation systems, ports and terminals, infrastructure, oil & gas, power, renewable energy and alternative energy sectors.

Safety

The Group's safety performance for the 12 months to 30 June 2015 reflected a Lost Time Injury Frequency Rate (LTIFR) of 0.19 (2014: 0.27) and a Total Recordable Injury Frequency Rate (TRIFR) of 1.38 (2014: 3.37) per million hours worked. This is the best reported safety performance in the Group's history. We continue to strive for our goal of zero harm and it is worth noting that the Ad Duwayhi project in Saudi Arabia recorded over 8 million hours LTI free and the Constancia project in Peru recorded over 7.7 million hours LTI free.

Review of operations

The Group's first quarter results marked a positive turnaround from previous quarters. Revenue and EBITA results were slightly ahead of expectations and contracts, representing $177 million, were awarded in the quarter taking the Group's work on hand to $147 million. The positive quarterly EBITA outcome resulted from solid revenue generation and benefits from the 2014 initiatives to lower overhead and controllable operating costs. The performance confirmed that the Group is on track to deliver the forecast benefit of over $20 million in 2015 from these additional cost savings.

The second quarter commenced positively with an increased number of new project enquiries and tenders. The decision time on a number of these opportunities slipped into the third quarter of the year and impacted on second quarter performance. Since the end of the second quarter, many of these opportunities have been decided in Ausenco's favour and work on hand (including preferred contractor notices) has increased to $182 million at the date of this report. This has also contributed to a marked increase in Create phase work on hand for execution in 2016 and 2017 and improved the medium term visibility of Group revenues.

The positive first quarter earnings trend did not continue into the second quarter and results were impacted by slippage in the timing of new contract awards as well as by two specific operational matters. Firstly, unanticipated costs arose from the Group's closure of the underperforming Beijing office and scaling back of its' Belo Horizonte office in view of the softening Brazilian economy. Secondly, activity in the Group's oil & gas business in Calgary and Halifax was impacted for a three-month period by slowing contract awards and lower than planned revenues. Recent awards in the third quarter show signs of a positive turnaround in the oil & gas business.

In recent weeks the group has been appointed as preferred contractor on significant new awards in North America, South America and West Africa. As a result of these, and with a general increase in resources sector client enquiries for new gold, copper, nickel, bauxite, phosphate and potash projects, there is a marked increase in the levels of activity in many of the Group's North and South American offices. Furthermore, the new regional structure has provided a seamless avenue to increased cross-selling of the Group's services in each of it's three key regions.

The recently announced strategic alliance to pursue EPC work, in joint venture with Spanish construction group Duro Felguera, has also expanded revenue and market opportunities for Ausenco and delivered the potential to grow the market share and earnings opportunities for the Group.

Revenue of $135.2 million from continuing operations for the first half of 2015 was down 27% on revenue of $184.2 million for the previous corresponding period. The Group reported a $16.6 million net loss after tax for the period compared to $2.0 million profit after tax for the previous corresponding period. This has resulted in a loss per share of 9.9 cents compared to a profit of 1.2 cents per share for the previous corresponding period. The net loss before tax was $12.4 million, an increase of $9.7 million from the net loss before tax of $2.7 million for the previous corresponding period.

Major reasons for the increased loss are the $49 million reduction in revenues, compared to the first half of 2014, which adversely impacted gross margins, and a comparatively higher income tax expense, attributable to the non-recognition of tax losses anticipated to be utilised more than five years out, representing a $8.9 million turnaround in the tax expense for the period.

Although 2015 first half revenues were $38 million lower than revenues for the second half of 2014, the EBITA for the first half of 2015 was an improvement of $2.8 million over EBITA (before impairments) for the second half of 2014. The improvement reflects benefits gained from overhead and controllable cost management, specifically the initiatives implemented in 2014. Underlying EBITDA[#] for the period was a $3.4 million loss which was similar to the 2014 second half performance although on $38 million lower revenues.

The Group's underlying EBITDA margin[#] was (2.5)% compared to 2.5% in the previous corresponding period and the after tax margin of (12.3)% was lower than the 1.1% margin reported for the six months to 30 June 2014.

Net operating cash outflow was $8.8 million, compared to an outflow of $7.5 million in the previous corresponding period; both are largely attributable to the operational losses in the respective periods. Cash outflow from investing activities was $1.0 million, $0.2 million lower than for the previous corresponding period. Outflow from financing activities increased from $4.6 million for the first half of 2014 to $6.4 million for the first half of the current year reflecting an increase in the repayment of borrowings during the period.

The Group's gross cash position at 30 June 2015 was $6.8 million ($22.5 million at 31 December 2014) reflecting the operating losses in the period and the repayment of borrowings. The Group's gross borrowings have been reduced from $65.6 million at 31 December 2014 to $61.1 million at 30 June 2015 while the net debt position increased by $11.2 million to $54.3 million at 30 June 2015. On a pro-forma basis, the $10.7 million share placement made in July 2015 has reduced the net debt to $43.6 million. The net gearing ratio was 20.7% reduced to 17.3% after the share placement.

The Group's total borrowings of $61.1 million, comprising United States dollar and Canadian dollar denominated debt, is due to mature on 31 August 2016. Discussions with financiers for a complementary financing package are well advanced and expected to be completed in Quarter 4 2015.

Change in Segment reporting

During the second half of the 2014 financial year the Group streamlined the reporting structure and responsibilities for its Americas businesses to give a regional focus. The reorganisation delivered greater accountability and

[#]*This performance measure is discussed in detail in Page 28* enhanced integration across service and geographic lines; it also improved utilisation of technical expertise and shared engineering resources. The reorganisation has facilitated better market penetration and capture of business opportunities as well as better performance monitoring. Environment and Sustainability, Minerals & Metals, Oil & Gas and Process Infrastructure were realigned to reflect the North American and South American regions in which they operate and are being managed.

The operating segments of the business are APAC/Africa, North America and South America. In keeping with the requirements of AASB 8 Operating Segments, the reorganisation led to a change in the segment report for all comparable periods.

Business Line Performance

The Group measures business line performance by reference to revenue and EBITA#, with 2015 and 2014 first half performances summarised as follows:

	Segment revenues		EBITA	
	2015	2014	2015	2014
	$'000	$'000	$'000	$'000
APAC/Africa	33,625	52,622	(2,854)	162
North America	48,693	70,144	(1,671)	1,468
South America	51,508	60,697	1,182	6,447
All other Segments	756	399	(5,312)	(6,574)
Total	134,582	183,862	(8,655)	1,503

APAC/Africa

The APAC/Africa business line's operating revenue was down 36% to $33.6 million for the half-year (1HY14: $52.6 million). The corresponding EBITA was down $3 million to $(2.8) million (1HY14: $0.2 million) and the EBITA margin decreased to (8.5)% (1HY14: 0.3%).

Market indications are that the decline in the volume of activities over the past few periods has leveled out, with improvements in investment confidence in a weaker commodity price environment expected to lead to a slow medium term recovery in the region. Capital-intensive activities throughout the region, particularly new greenfield projects, are growing modestly but are still materially below the 2013 levels. As an adjunct to this, Evaluate and Innovate phase client assignments increased significantly in the period with new contracts reflecting Ausenco's specialised service offerings being awarded.

Importantly, the Group's strategic diversification into asset optimisation and operations and maintenance activities has provided a solid revenue and earnings base for the region as clients focus on optimising asset performance and reducing operating costs. This should underpin growth in asset optimisation and related activities across the Group due to the many cross selling opportunities arising from Create phase projects in the Americas.

North America

The North America business line's operating revenue was down 30% to $48.7 million for the half-year (1HY14: $70.1 million). The EBITA loss was $1.7 million compared to a profit of $1.5 million in 2014.

The financial performance of the North American business line was adversely impacted in the first half by two material operational matters. Activities in the oil & gas sector slowed dramatically in the second quarter, with many contract awards deferred to the third quarter, and the underperforming Beijing office was closed in the second quarter.

#*This performance measure is discussed in detail in Page 28*

The North American region presents the Group with a significant number of new opportunities in the base and precious metals sectors as well as in new opportunities to grow market share in areas in which the business has existing service offerings. A focus on expanding work in municipal infrastructure has benefited the group with an increased level of awards from existing and new clients. Additionally, a significant number of Evaluate and Innovate phase projects is anticipated to convert to EPCM or EPC Create phase work over the next twelve months; this will result in a significant improvement in earnings performance into 2016.

South America

The South America business line operating revenue decreased by 15.1% compared to the corresponding period last year (1HY15 $51.5 million, 1HY14 $60.7 million) resulting in a comparable reduction in EBITA of $5.3 million to $1.2 million.

An important achievement during the period was the successful completion and commissioning of the Constancia copper project in Peru. This project has established a new benchmark for reduced capital intensity of copper projects in South America, and has resulted in the referral of many value-engineering assignments to Ausenco. Client activities and enquiries on Chilean copper projects increased dramatically during the period.

A number of new awards by the Escondida copper mine in Chile, and from other Chilean copper producers, assisted in growing the office as many clients pursue optimisation and efficiency programs to increase their overall copper production with improved economics. The slow-down in resource activities in Brazil has resulted in a scaling back of the Belo Horizonte office during the period; the cost of this adversely impacted results.

Corporate & Regional services

The net cost of the corporate and regional service teams reduced from $6.6 million in 1HY14 to $5.3 million for 1HY15 representing an annualised savings in controllable cash costs of $2.6 million.

Outlook

The decline in the volume of activities over the previous reporting periods has levelled out with a significantly improved pipeline of opportunities in each region. Market volatility continues to create uncertainty and often impacts the start time of new awards.

With the diversification strategy the Group has in place there is a solid revenue and earnings base from clients focusing on non-green-field capital sensitive assignments. These include many studies, consulting, sustaining capital, asset management and optimisation activities.

There has also been a significant increase in Evaluate and Innovate phase assignments for mid-size projects which provide an important entry into Create phase project developments. In addition to these EPCM opportunities, the alliance with Duro Felguera has strengthened the Group's position in the delivery of global EPC projects.

The moderately improving market outlook, depth of opportunities across each of the Group's service offerings and the controllable cost reductions being delivered in 2015, positions the Group for a strong earnings recovery over the next twelve months.

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 6.

Rounding of amounts

The Group is of a kind referred to in Class Order 98/100, issued by the Australian Securities and Investments Commission, relating to the 'rounding off' of amounts in the Directors' report and financial report. Amounts have been rounded off to the nearest thousand dollars in accordance with that Class Order.

This report is made in accordance with a resolution of Directors.

George Lloyd
Director

Bob Thorpe
Director

Brisbane
19/08/2015

Auditor's Independence Declaration

As lead auditor for the review of Ausenco Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and

b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of Ausenco Limited and the entities it controlled during the period.

Timothy J Allman
Partner
PricewaterhouseCoopers

Brisbane
19 August 2015

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

	Notes	**Half-year ended 30 June 2015 $'000**	Half-year ended 30 June 2014 $'000
Revenue from continuing operations		**135,154**	184,171
Other income		**5,768**	5,152
Staff and contractors costs		**(107,097)**	(135,339)
Directly attributed project costs		**(18,555)**	(24,939)
Office and administration costs		**(20,407)**	(23,150)
Other expenses		**(651)**	(1,154)
Depreciation and amortisation expense		**(4,058)**	(5,330)
Finance costs		**(2,161)**	(2,012)
Share of loss from joint ventures		**(396)**	(60)
Loss before income tax		**(12,403)**	(2,661)
Income tax (expense) / benefit	5	**(4,196)**	4,678
(Loss) / Profit for the half-year		**(16,599)**	2,017
Other comprehensive income			
Items that may be reclassified to profit or loss			
Currency translation differences arising during the year		**(1,325)**	(3,781)
Net investment hedge		**(1,217)**	(1,232)
Other comprehensive loss for the period, net of tax		**(2,542)**	(5,013)
Total comprehensive loss for the half-year		**(19,141)**	(2,996)
(Loss) / Profit for the half-year attributable to the ordinary equity holders of the Company:			
Owners of Ausenco Limited		**(16,599)**	2,017
		(16,599)	2,017
Total comprehensive loss for the half-year is attributable to the ordinary equity holders of the Company:			
Owners of Ausenco Limited		**(19,141)**	(2,996)
		(19,141)	(2,996)
		Cents	Cents
Earnings per share for profit attributable to the ordinary equity holders of the Company:			
Basic earnings per share		**(9.9)**	1.2
Diluted earnings per share		**(9.9)**	1.2

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Ausenco Limited
Consolidated balance sheet
As at 30 June 2015

	Notes	**30 June 2015 $'000**	31 December 2014 $'000
ASSETS			
Current assets			
Cash and cash equivalents	6	**6,807**	22,497
Trade and other receivables	7	**33,084**	46,088
Unbilled revenue		**29,723**	23,837
Current tax receivables		**6,971**	6,555
Other current assets		**6,307**	6,201
Total current assets		**82,892**	105,178
Non-current assets			
Investments in joint ventures and associates		**3,643**	4,082
Property, plant and equipment		**15,001**	17,025
Intangible assets	8	**185,439**	186,336
Deferred tax assets		**34,187**	39,887
Other non-current assets		**6**	81
Total non-current assets		**238,276**	247,411
Total assets		**321,168**	352,589
LIABILITIES			
Current liabilities			
Trade and other payables		**25,889**	28,013
Billings in advance		**4,547**	3,120
Borrowings	10	**17,989**	18,574
Current tax liabilities		**864**	3,855
Provisions	9	**13,468**	16,881
Other current liabilities		**1,491**	1,454
Total current liabilities		**64,248**	71,897
Non-current liabilities			
Borrowings	10	**43,133**	47,053
Deferred tax liabilities		**142**	289
Provisions	9	**2,136**	2,212
Other non-current liabilities		**3,633**	4,365
Total non-current liabilities		**49,044**	53,919
Total liabilities		**113,292**	125,816
Net assets		**207,876**	226,773
EQUITY			
Contributed equity	11	**246,354**	246,181
Other reserves		**(40,457)**	(37,986)
Retained earnings		**1,979**	18,578
Total equity		**207,876**	226,773

The above consolidated balance sheet should be read in conjunction with the accompanying notes.

	Notes	Ordinary shares $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2014		245,841	(31,314)	43,934	258,461
Total comprehensive income / (loss) for the period		-	(5,013)	2,017	(2,996)
Transactions with owners in their capacity as owners:					
Employee share options and performance rights		-	277	-	277
Shares vested to employees		268	-	-	268
		268	277	-	545
Balance at 30 June 2014		**246,109**	**(36,050)**	**45,951**	**256,010**

	Notes	Ordinary shares $'000	Reserves $'000	Retained earnings $'000	Total equity $'000
Balance at 1 January 2015		246,181	(37,986)	18,578	226,773
Total comprehensive income / (loss) for the period		-	(2,542)	(16,599)	(19,141)
Transactions with owners in their capacity as owners:					
Employee share options and performance rights		-	71	-	71
Shares vested to employees	11	173	-	-	173
		173	71	-	244
Balance at 30 June 2015		**246,354**	**(40,457)**	**1,979**	**207,876**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

	Notes	**Half-year ended 30 June 2015**	Half-year ended 30 June 2014
		$'000	$'000
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		**163,377**	199,506
Payments to suppliers and employees (inclusive of GST)		**(169,749)**	(202,950)
		(6,372)	(3,444)
Interest received		**176**	369
Borrowing costs paid		**(2,161)**	(2,012)
Income taxes paid		**(409)**	(2,432)
Net cash outflow from operating activities		**(8,766)**	(7,519)
Cash flows from investing activities			
Payments for property, plant and equipment		**(167)**	(983)
Payments for intangibles		**(835)**	(210)
Net cash outflow from investing activities		**(1,002)**	(1,193)
Cash flows from financing activities			
Proceeds from borrowings		**1,349**	-
Repayment of borrowings		**(7,734)**	(4,564)
Net cash outflow from financing activities		**(6,385)**	(4,564)
Net decrease in cash and cash equivalents		**(16,153)**	(13,276)
Cash and cash equivalents at the beginning of the financial period		**22,497**	37,567
Effects of exchange rate changes on cash and cash equivalents		**463**	(220)
Cash and cash equivalents at end of period	6	**6,807**	24,071

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 Basis of preparation of half-year report

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by Ausenco Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

(a) New and amended standards adopted by the Group

A number of new and amended standards became applicable for the current reporting period, however, the Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these standards.

(b) Impact of standards issued but not yet applied to the Group

AASB 9 Financial Instruments addresses the classification, measurement and derecognition of financial assets and financial liabilities. The standard is not applicable until 1 January 2017 but is available for early adoption.

AASB 15 Revenue from contracts with customers - effective 1 January 2018
The AASB has issued a new standard for the recognition of revenue. This will replace AASB 118 which covers contracts for goods and services and AASB 111 which covers construction contracts.

Management are in the process of working through the potential impacts on the business given the significant number of contracts that the business has. Further the impact on the business will differ depending on the nature of the contracts that are in place at the time of adopting the new standard.

AASB 10 Consolidated Financial Statements and AASB 128 Investments in associates and joint ventures - effective 1 January 2016
The AASB has made limited scope amendments to AASB 10 Consolidated financial statements and AASB 128 Investments in associates and joint ventures.

The amendments clarify the accounting treatment for sales or contribution of assets between an investor and its associates or joint ventures. They confirm that the accounting treatment depends on whether the non-monetary assets sold or contributed to an associate or joint venture constitute a ‘business’ (as defined in IFRS 3 Business Combinations).

Where the non-monetary assets constitute a business, the investor will recognise the full gain or loss on the sale or contribution of assets. If the assets do not meet the definition of a business, the gain or loss is recognised by the investor only to the extent of the other investor’s interest in the associate or joint venture. The amendments apply prospectively.

(c) Comparatives

Some prior year numbers have been reclassified to enhance comparability including segment reporting comparatives.

(d) Change in segment reporting

Refer to note 3 (a) for changes to the Group's reporting segments.

2 Critical accounting estimates and judgements

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under the circumstances.

The Group makes estimates and judgments concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and judgments that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Critical accounting estimates and assumptions

(i) Goodwill carrying value review

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in note 2(p)(i) of the 2014 annual report. The recoverable amounts of cash-generating units have been determined based on value in use calculations. These calculations require the use of assumptions. Refer to note 15 in the 2014 annual report for details of these assumptions and the potential impact of changes to the assumptions.

(ii) Income taxes

The Group is subject to income taxes in Australia and jurisdictions where it has foreign operations. The Group estimates its tax liabilities based on the Group's understanding of the tax law. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the current and deferred tax provisions in the period in which such determination is made. Deferred tax assets for unused losses are recognised only if it is probable that future taxable amounts will be available to utilise the losses. This assessment is based on consideration of earnings outlined in Board approved budgets and five year plans.

(iii) Trade and other receivables

The measurement of impairment of debtors requires management's best estimate of recoverable balances at reporting date. The estimates and judments are continually evaluated and are based on historical factors and expectations of future events, which are believed to be reasonable under the circumstances.

3 Segment information

(a) Description of segments

The Ausenco group provides engineering, construction and project management services in a number of markets and across a wide span of geographic regions.

Until 30 June 2014 Ausenco's reporting structure and operating segments were aligned across the following product/service offerings:

- Minerals & Metals
- Process Infrastructure
- Oil & Gas
- Environmental & Sustainability
- APAC/Africa

During the second half of the 2014 financial year the Group streamlined its Americas business reporting structure and responsibilities to have a regional focus. The reorganisation facilitated greater accountability as well as provided enhanced integration across both service and geographic lines and improved utilisation of both technical expertise and shared engineering resources. It will enable the business to better penetrate and capture market opportunities and monitor performance.

No changes were required in APAC/Africa as it had been structured and operating on a regional basis since 2013. Environment and Sustainability, Minerals & Metals, Oil & Gas and Process Infrastructure were aligned and reshaped along the geographic basis in which they were managed and operating, being North America and South America.

In keeping with the requirements of AASB 8 the operating segments of the Group are now:

- North America
- South America
- APAC/Africa

Prior year comparatives have been restated to reflect the organisational change.

(b) Segment information provided to the Chief Decision Makers

The segment information provided to the Chief Decision Makers for the reportable segments for the half-year 30 June 2015 is as follows:

Half-year 2015	**North America** $'000	**South America** $'000	**APAC/ Africa** $'000	**All other segments*** $'000	**Total** $'000
Total segment revenue	50,667	54,850	36,756	1,888	144,161
Inter-segment revenue	(1,974)	(3,342)	(3,131)	(1,132)	(9,579)
Revenue from external customers	**48,693**	**51,508**	**33,625**	**756**	**134,582**
Reportable Segment EBITA	**(1,671)**	**1,182**	**(2,854)**	**(5,312)**	**(8,655)**
Total segment assets	**18,508**	**23,614**	**19,373**	**2,003**	**63,498**

3 Segment information (continued)

(b) Segment information provided to the Chief Decision Makers (continued)

Half-year 2014[1]	North America $'000	South America $'000	APAC/ Africa $'000	All other segments* $'000	Total $'000
Total segment revenue	76,886	64,361	54,446	426	196,119
Inter-segment revenue	(6,742)	(3,664)	(1,824)	(27)	(12,257)
Revenue from external customers	70,144	60,697	52,622	399	183,862
Reportable Segment EBITA	1,468	6,447	162	(6,574)	1,503
Total segment assets	24,020	34,904	34,991	2,461	96,376

* All other segments relate to Corporate and Regional Services that are not directly allocatable to a segment.

[1] *Note: The 2014 balances have been restated to reflect the business restructure that occurred in 2014.*

(c) Other segment information

(i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the Chief Decision Makers is measured in a manner consistent with that in the income statements.

Segment revenue reconciles to total revenue from continuing operations as follows:

	Half-year ended 30 June 2015 $'000	Half-year ended 30 June 2014 $'000
Total segment revenue	**144,161**	196,119
Inter-segment revenue	**(9,579)**	(12,257)
Interest revenue	**176**	369
Less share of profit from joint arrangements included in segment revenue	**396**	(60)
Total revenue from continuing operations	**135,154**	184,171

(ii) Segment EBITA

The Chief Decision Makers assess the performance of the operating segments based on a measure of segment EBITA.

A reconciliation of adjusted EBITA to operating profit before income tax is provided as follows:

3 Segment information (continued)

(c) Other segment information (continued)

(ii) Segment EBITA (continued)

	Half-year ended 30 June 2015 $'000	Half-year ended 30 June 2014 $'000
Segment EBITA	**(8,655)**	1,503
Interest Income	**176**	369
Finance cost	**(2,161)**	(2,012)
Amortisation of intangibles	**(1,763)**	(2,521)
Loss before income tax from continuing operations	**(12,403)**	(2,661)

(iii) Segment assets

The amounts provided to the Chief Decision Makers with respect to total assets include only trade receivables and unbilled revenue. These assets are allocated based on the operations of the segment and the physical location of the asset.

4 Profit / (Loss) for the half year

	Half-year ended 30 June 2015 $'000	Half-year ended 30 June 2014 $'000
Loss for the half year includes the following specific items:		
Other income		
Rents and sub-lease rental income	**2,904**	2,593
Foreign exchange gains (net)	**2,386**	-
Movement in Contingent Consideration	**-**	1,100
Expenses		
Depreciation of property, plant and equipment	**2,295**	2,809
Amortisation of intangibles		
Software	**1,763**	2,521
Total depreciation and amortisation expense	**4,058**	**5,330**
Operating lease rentals	**10,413**	11,231
Employee benefits expense		
Defined contribution superannuation expense	**4,242**	5,159

5 Income tax expense

(a) Numerical reconciliation of income tax expense to prima facie tax payable

	Half-year ended 30 June 2015 $'000	Half-year ended 30 June 2014 $'000
(Loss) / profit from continuing operations before income tax expense	**(12,403)**	(2,661)
Tax at the Australian tax rate of 30.0% (2014 - 30.0%)	**(3,721)**	(798)
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Amortisation of intangibles	**(162)**	(150)
Entertainment	**8**	28
Unrealised foreign exchange losses relating to net investment hedges	**(365)**	(1,331)
International exempt income	**(162)**	(470)
Current period losses not recognised	**5,825**	426
Items of capital nature	**1,263**	1,063
Assessable income not recognised in accounting profit	**-**	46
Non-assessable income recognised in accounting profit	**-**	(20)
Non deductible business expenditure	**491**	199
Other	**344**	(183)
	3,521	**(1,190)**
Adjustments for current tax of prior periods	**(2,259)**	(1,767)
Difference in overseas tax rates	**(53)**	616
Previously recognised / (unrecognised) tax losses used to increase / (reduce) deferred tax expense	**2,987**	(2,337)
Income tax expense	**4,196**	**(4,678)**

(b) Tax losses

The Group has gross tax losses of $115 million, with $77 million of this balance recognised in the Group's profit & loss, including $2.7 million recognised in the current year. $109 million of these gross tax losses have a statutory expiry period of greater than 5 years, and assuming no material change in Group circumstances, will be available to be utilised against profits in those periods. Nevertheless, based on current 5 year forecasts the Directors have not recognised losses not expected to be recovered within the next 5 years. Tax losses subsequently able to be utilised in later periods will result in income tax benefits being recognised in the profit & loss.

6 Cash and cash equivalents

	As at 30 June 2015 $'000	As at 31 December 2014 $'000
Cash and cash equivalents		
Cash at bank and in hand	**5,827**	16,739
Deposits at call	**980**	5,758
	6,807	22,497

7 Trade and other receivables

	As at 30 June 2015 $'000	As at 31 December 2014 $'000
Current		
Trade receivables	**34,960**	49,720
Provision for impairment of receivables	**(7,054)**	(8,683)
	27,906	41,037
GST/VAT receivables	**1,296**	1,819
Other receivables	**3,882**	3,232
Total trade and other receivables	**33,084**	46,088

8 Intangible assets

	Goodwill $'000	**Software $'000**	**Total $'000**
Half-year 30 June 2015			
Opening net book amount	157,818	28,518	186,336
Additions	-	808	808
Amortisation charge	-	(1,763)	(1,763)
Exchange differences	-	58	58
Closing net book amount	157,818	27,621	185,439
At 30 June 2015			
Cost	189,988	47,167	237,155
Accumulation amortisation and impairment	(32,170)	(19,546)	(51,716)
Net book amount	**157,818**	**27,621**	**185,439**

8 Intangible assets (continued)

	Goodwill $'000	Software $'000	Total $'000
Year ended 31 December 2014			
Opening net book amount	174,508	29,620	204,128
Additions	-	3,450	3,450
Disposals	-	(144)	(144)
Amortisation charge	-	(4,313)	(4,313)
Net transfers	-	(69)	(69)
Impairment charge	(10,000)	-	(10,000)
Exchange differences	(6,690)	(26)	(6,716)
Closing net book amount	157,818	28,518	186,336
At 31 December 2014			
Cost	189,988	46,324	236,312
Accumulation amortisation and impairment	(32,170)	(17,806)	(49,976)
Net book amount	**157,818**	**28,518**	**186,336**

(a) Goodwill Allocation

Goodwill is allocated to the Group's cash-generating units (CGUs) identified according to business segment.

During the second half of 2014 the groups of assets for the purposes of identifying CGUs were adjusted to reflect the business restructure (further details refer note 2(b) and note 4 of the 2014 annual report) which occurred in August 2014. The CGUs of the business are now aligned with the new operating segments and are therefore defined on a geographical basis. This is the smallest group of assets that generate independent cash flows due to shared resourcing and management structures.

In accordance with Group accounting policy (refer note 2(p)(i) of the 2014 annual report) goodwill is reallocated based on the relative values of the business units affected by the change.

Goodwill has been reallocated to the new CGUs as follows:

	Goodwill at 30 June 2015 $'000	Goodwill at 31 December 2014 $'000
APAC/Africa	24,634	24,634
North America	85,720	85,720
South America	47,464	47,464
	157,818	**157,818**

8 Intangible assets (continued)

(b) Testing for impairment

The Group tests property, plant and equipment, intangibles and goodwill for impairment:

- at least annually for indefinite life intangibles and goodwill, and
- where there is an indication that the asset may be impaired (which is assessed at least each reporting date).

If the asset does not generate independent cash inflows and its value in use cannot be estimated to be close to its fair value, the asset is tested for impairment as part of the CGU to which it belongs.

Assets are impaired if their carrying value exceeds their recoverable amount. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal or value in use.

Market conditions for clients to invest significant capital across the resources and energy sectors remained subdued, yet in some areas exhibited some signs of growth in specific markets and sectors. Against this background, the Group benefited from the refocused cross selling programs to optimise the utilisation of teams across the business as well as from the range of cost management initiatives taken in 2014. Overall, new enquiries and tender levels increased as the year unfolded, with expectations for new projects and growth for Ausenco leading into late 2015 and beyond.

Despite the positive initiatives taken in restructuring the APAC/Africa CGU and reducing costs, financial performance in the APAC/Africa business did not fully meet expectations. These impairment indicators resulted in a detailed review of the comparatively lower growth profile of that CGU, as well as the benefits it is receiving from the weakening Australian dollar increasing the competitiveness of the business and attractiveness of new projects. This review supported the existing carrying value of the CGU’s goodwill.

(c) Impairment calculations

The Group tests annually the recoverable amount of each CGU’s goodwill balance based on value in use calculations of the cash flow projections for each CGU. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

(d) Inputs to impairment calculations

Unless otherwise identified, the following discussion of inputs and assumptions is applicable to the assessment of the value in use of all of the Group’s CGUs.

The value in use calculations use cash flow projections based on Ausenco’s corporate plans and business forecasts prepared by management and approved by the Board. The corporate plans are developed annually with a five-year outlook and on the understanding that actual outcomes may differ from the assumptions used.

For these calculations, adjustments are incorporated for relevant industry metrics as well as to exclude the costs and benefits of expansion capital. In the circumstances that a CGU is unable to achieve the forecast growth in earnings, there is a risk that the carrying value of the CGU would exceed its recoverable amount.

Cash flows beyond the five-year period are extrapolated using estimated growth rates, which are based on Group estimates, taking into consideration historical performance as well as expected long-term operating conditions.

Growth rates do not exceed the consensus forecasts of the long-term average growth rate for the market sector in which the CGU operates.

Discount rates are based on the weighted average cost of capital determined by prevailing or benchmarked market inputs, risk adjusted where necessary. Other assumptions are determined with reference to external sources of information and use consistent, conservative estimates for variables such as terminal cash flow multiples. Increases in discount rates or changes in other key assumptions, such as operating conditions or financial performance, may cause the recoverable amounts to fall below carrying values.

8 Intangible assets (continued)

(d) Inputs to impairment calculations (continued)

The pre-tax discount rates incorporate a risk-adjustment relative to the risks associated with the net pre-tax cash flows being achieved, whilst the growth rates are based on the long-term average growth rates of the businesses.

Given the subdued market conditions in Australia, the carrying value and impairment review for the APAC/Africa has been completed using a discount rate of 18.2% (2014 discount rate 19.5%) and terminal value growh rate of 1.8% (2014 1.1%) to reflect the market uncertainty.

EBITDA growth and projected margins are based on actual performance in prior years adjusted for expected efficiency improvements, including the impact of the recent business restructure and cost reductions implemented, and the Group's ability to increase its share of the market in key sectors. In the circumstance that the APAC/Africa CGU is unable to achieve the forecast growth in EBITDA and projected margins, there is a risk that the carrying value of the CGU would exceed its recoverable amount. A 15% change in EBITDA of APAC/Africa would give rise to a $10 million change in the CGU's recoverable amount.

9 Provisions

	As at 30 June 2015 $'000	As at 31 December 2014 $'000
Current		
Employee benefits	**12,043**	13,065
Project warranty provision	**-**	500
Onerous leases	**491**	1,770
Other current provisions	**934**	1,546
	13,468	16,881
Non-Current		
Employee benefits	**824**	652
Make-good provision	**971**	944
Onerous leases	**341**	616
	2,136	2,212
Total provisions	**15,604**	19,093

10 Borrowings

	As at 30 June 2015 $'000	As at 31 December 2014 $'000
Current		
Secured bank loans	**16,474**	15,901
Other unsecured loans	**1,515**	2,673
	17,989	18,574
Non-current		
Secured bank loans	**41,934**	45,334
Other Unsecured loans	**1,199**	1,719
	43,133	47,053
Total borrowings	**61,122**	65,627

(a) Bank loans

Bank loans are subject to a weighted average interest rate of 4.6% (2014: 4.6%)

(b) Other loans

Other liabilities are subject to a weighted average interest rate of 1.8% (2014: 2.3%)

(c) Banking facilities

As at 30 June 2015, the Australian and New Zealand Banking Group (ANZ) and National Australia Bank (NAB) funding facility was $96.6 million (2014: $100.8 million), comprising bank overdraft, advance and amortising debt facilities of $66.6 million, bank guarantee and letter of credit facilities of $30.0 million. During 2015 $5.9 million has been repaid on the facilities, with the lower Australian dollar since 1 January 2015 resulting in a $1.5 million revaluation when translated to Australian dollars on the half year balances denominated in Canadian and United States dollars.

At 30 June 2015, $23.8 million of the total facility was unused (unused borrowings $8.2 million and unused bank guarantee facility $15.6 million).

(d) Breach of debt covenant

The Group has agreed with its banks that the covenants breached at 30 June 2015 are waived. New covenants with revised requirements for the quarters ending 30 September 2015 and 31 December 2015 are in the process of being formalised.

(e) Debt refinancing

In June 2015, ANZ and NAB agreed to extend the repayment timeline of drawn down debt facilities to August 2016. $27.2 million Canadian dollars and $17.5 million United States dollars are repayable at 31 August 2016.

Discussions with financiers for a complementary financing package are well advanced and expected to be completed by quarter four 2015. The alternative arrangements are anticipated to provide the Group with borrowings with maturity dates beyond August 2016 and more suitable financial covenant terms.

11 Contributed equity

(a) Share capital

	As at 30 June 2015 $'000	As at 31 December 2014 $'000
Balance at 1 January	**246,181**	245,841
Shares vested to employees	**173**	340
	246,354	**246,181**

(b) Movements in ordinary share capital

	As at 30 June 2015 Shares	As at 31 December 2014 Shares
Balance at 1 January	**168,449,799**	168,449,799
Total contributed equity	**168,449,799**	**168,449,799**

12 Contingencies

(a) Guarantees

	2015 $'000	2014 $'000
The consolidated entity is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities in respect of their contractual performance related obligations. These guarantees and indemnities only give rise to a liability where the entity concerned fails to perform its contractual obligations. Bank guarantees outstanding at the balance date in respect of commitments for expenditure	**14,406**	15,419

(b) Litigation

One of the Group’s wholly owned subsidiary companies remains an incorrectly named co-defendant to a court action in Ontario, Canada. The claim related to services that were provided by a company which is not, and has not at any time been, related to Ausenco. In April 2014 the Ontario lower court confirmed that the lawsuit will proceed in Ontario. There are currently no confirmed court dates as the parties are in the process of agreeing a proposed timetable to progress the action. Ausenco continues to vigorously defend the claim and take appropriate steps to have it removed as a defendant in the matter.

One of the Group's subsidiary companies has been named as a co-defendant to a Canadian claim against an Ausenco client, as a means by the plaintiff sub-contractor to expand potential recovery opportunities from the client or force arbitration proceedings. Currently no court and/or arbitration dates have been confirmed for this matter. Ausenco's insurer has been notified of the claim and Ausenco intends to vigorously defend the nature and basis of the claim as being without merit.

12 Contingencies (continued)

(b) Litigation (continued)

In December 2014 Ausenco initiated arbitration proceedings against a client following the non-payment of variation claims following the completion of a project in Africa. The directors have not disclosed an estimation of the amount or timing of possible cash inflows and recoveries to Ausenco related to the action as they do not want to prejudice the position of the Company in this dispute.

13 Events occurring after the reporting period

Effective 21 July 2015, the Group finalised a $10.7 million private placement to cornerstone shareholder, Spanish multinational construction company Duro Felguera S.A. (DF), at $0.60 per share. Under the placement agreement DF received 17,808,087 fully paid ordinary shares. The placement and prior holdings in Ausenco has resulted in DF holding a 14.5% interest in Ausenco.

No other matter or circumstance has arisen since 30 June 2015 that has significantly affected, or may significantly affect:

(a) the Group's operations in future financial years, or

(b) the results of those operations in future financial years, or

(c) the Group's state of affairs in future financial years.

In the Directors' opinion:

(a) the interim financial statements and notes set out on pages 7 to 24 are in accordance with the *Corporations Act 2001*, including:
  (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
  (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year on that date, and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable, and

(c) at the date of this declaration, there are reasonable grounds to believe that the members of the extended closed group will be able to meet any obligations or liabilities to which they are, or may become, subject by virtue of the deed of cross guarantee.

The Directors have been given the declarations by the chief executive officer and chief financial officer required by section 295A of the *Corporations Act 2001*.

This declaration is made in accordance with a resolution of Directors.

George Lloyd
Director

Bob Thorpe
Director

Brisbane
19 August 2015

Independent auditor's review report to the members of Ausenco Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Ausenco Limited (the Company), which comprises the consolidated balance sheet as at 30 June 2015, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for Ausenco Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Ausenco Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Ausenco Limited is not in accordance with the *Corporations Act 2001* including:

a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date;

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

Timothy J Allman
Partner

Brisbane
19 August 2015

Alternative performance measures

In addition to using profit as a measure of the Group and its segments' financial performance, Ausenco uses EBITDA, EBITA, underlying EBITDA, net debt, net gearing ratio and underlying EBITDA to total financing costs ratio. These measures are not defined under IFRS and are, therefore, termed "Non-IFRS" measures.

Adjusted EBITA is defined as Group profit before net interest, tax and amortisation (excluding amortisation of other intangible assets), while EBITDA is Group profit before net interest, tax, depreciation and amortisation. These measures are considered to be useful measures of our operating performance because they approximate the underlying operating cash flow by eliminating depreciation and/or amortisation.

Net debt consists of borrowings (both current and non-current) less cash and cash equivalents. Net gearing ratio is defined as Net debt divided by Shareholders Equity plus Net debt and Net gearing ratio are measures of the Group's indebtedness and provides an indicator of the balance sheet strength.

Underlying EBITDA to total financing costs ratio is defined as underlying EBITDA divided by interest expense and is useful because it demonstrates the ability of the Group to pay interest expense to external financiers in compliance with funding facilities.

These above mentioned measures are commonly used by management, investors and financial analysts to evaluate companies' performance.

A reconciliation of these non-IFRS measures and specific items to be the nearest measure prepared in accordance with IFRS is included in the table below. The non-IFRS financial information contained within this Director's Report and Notes to the Financial Statements has not been audited in accordance with the Australian Auditing Standards.

	Notes	Half-year Ended 30 June 2015 $'000	Half-year Ended 30 June 2014 $'000
Loss before income tax		**(12,403)**	**(2,661)**
Finance costs		2,161	2,012
Interest income		(176)	(369)
EBIT		**(10,418)**	**(1,018)**
Amortisation of intangibles	4	1,763	2,521
EBITA		**(8,655)**	**1,503**
Depreciation	4	2,295	2,809
EBITDA		**(6,360)**	**4,312**
Redundancy costs		2,950	1,378
Contingent consideration Rylson		-	(1,100)
Underlying EBITDA		**(3,410)**	**4,590**

		As at 30 June 2015 $'000	As at 31 December 2014 $'000
Borrowings - Current	10	(17,989)	(18,574)
Borrowings - Non-current	10	(43,133)	(47,053)
Total borrowings		(61,122)	(65,627)
Cash and cash equivalents	6	6,807	22,497
Net Debt		**(54,316)**	**(43,130)**