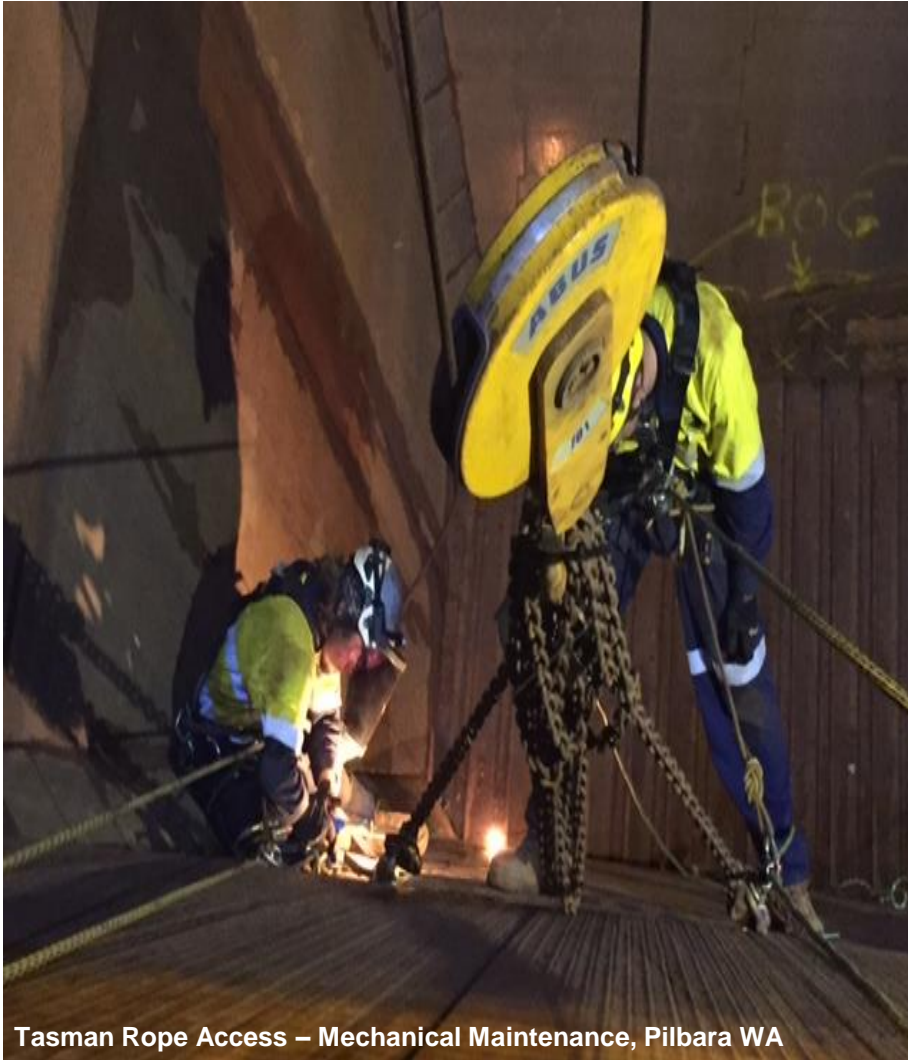

E&A LIMITED

2016 Full Year Results

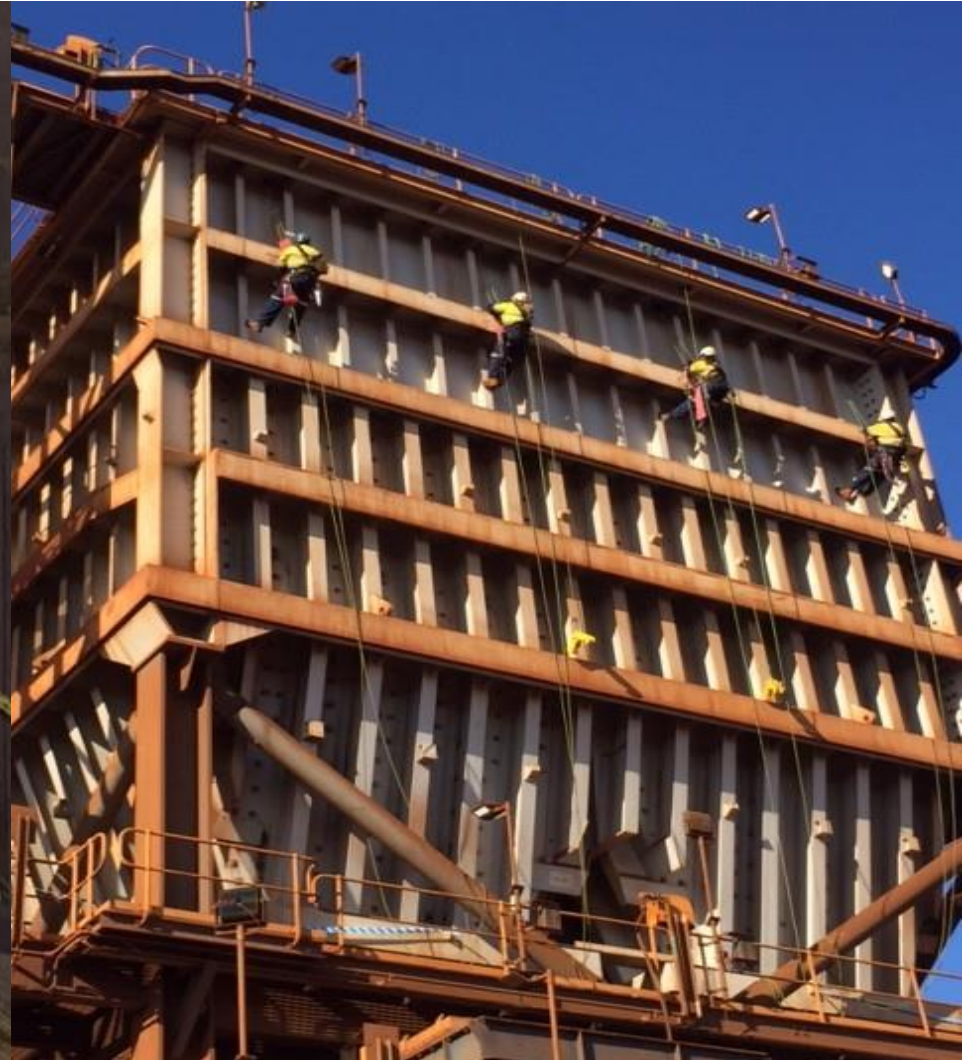


Presentation on results, progress and outlook
31 August 2016

FY16 Highlights



Tasman Rope Access – Mechanical Maintenance, Pilbara WA



FY16 Highlights

Financial

- Revenue \$163m, down 18%
- Statutory Net Loss after Tax of \$19.9m after one-off costs of \$15.5m including goodwill & WIP impairments, bad debt provision and restructuring costs
- Positive operating cash flow for the FY16 second half of \$4.4m
- FY16 result reflects downturn in Mining and Oil & Gas construction sectors and losses relating to finalising two major underperforming construction contracts

Operating

- Zero LTI record extended across all businesses.
- Productivity & Profit Improvement Program delivered \$7.2m in savings
- Shift in focus from Construction to Maintenance works reducing risk and improving margins
- \$10.3m collected from disputed claims
- Recurrent work as at August 2016 up on prior corresponding August 2015

Strategic

- All loan facilities extended to 31 August 2017
- Major remaining claims now in Mediation & Arbitration phase with outcomes expected in FY17
- Tasman Rope Access business established and growing rapidly
- Improved outlook for Renewable Energy and Defence industries



FY16 Results



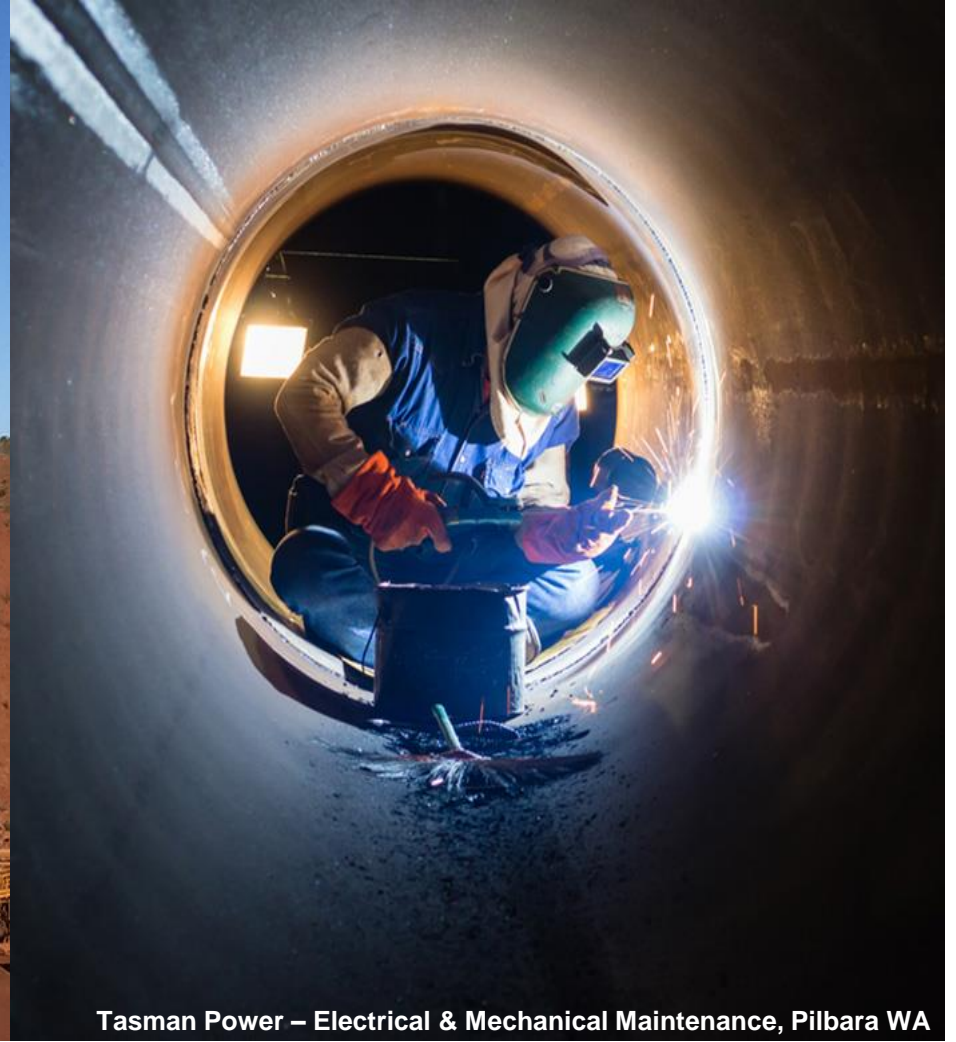
FY16 Results

FY16 Results Summary (in \$millions)		
	FY16	FY15
Revenue	163.3	198.6
EBITDA	(14.6)	(26.6)
EBIT	(18.2)	(30.1)
Net Profit After Tax	(19.9)	(24.4)

- Incurred one-off costs of \$15.5 million including Goodwill & WIP impairment, bad debt provision and restructuring costs
- Trading performance adversely impacted by two major underperforming contracts both concluded during FY16
- Productivity & Profit Improvement Program delivered \$7.2 million in savings during FY16
- Positive operating cash flow of \$4.4m generated during second half of FY16



Resolving Legacy Issues



Tasman Power – Electrical & Mechanical Maintenance, Pilbara WA



Resolving Legacy Issues

- **Difficult contracts (NRAH & Sino Iron Dewatering Plant) now finalized. NRAH certificate of substantial completion received in August 2016**
- **Creation of in-house legal & commercial team: dedicated recovery of claims and proactive contractual risk management**
- **Claim recovery: \$10.3 million collected regarding GELOR & NRAH claims. Major outstanding disputes advanced to mediation & arbitration phase with outcomes expected in FY17**
- **Successful shift to lower risk maintenance & shutdown with reduced exposure to construction sector**
- **Debt paydown commenced: \$6.3m reduction to borrowings in FY16 second half**



Safety Performance

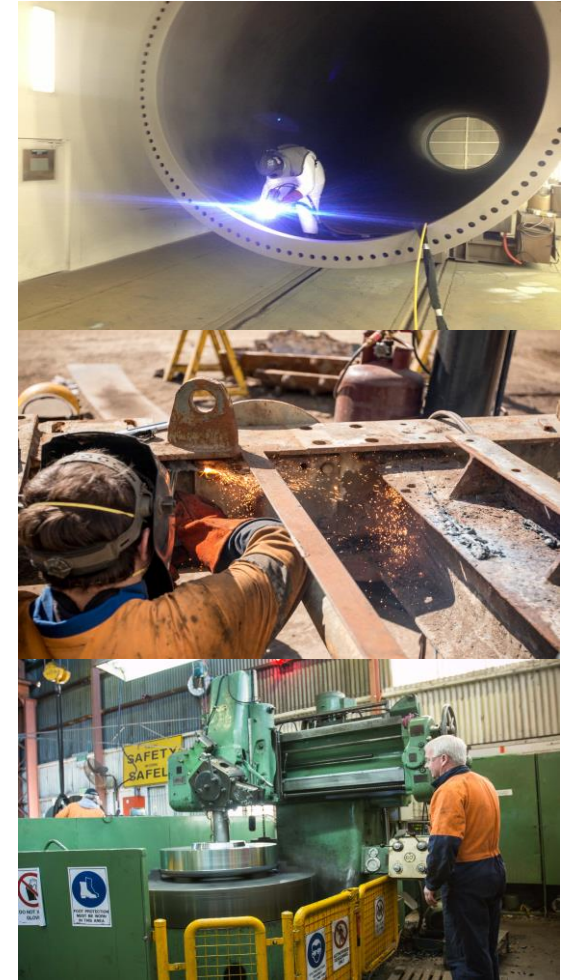


Fabtech – Dam Lining, SA

Safety Performance

E&A Limited's strong safety culture has delivered significant outcomes:

Subsidiary	LTI Free Days	LTI Free Hours Worked
ICE	3,673	1,850,000
Fabtech	2,519	1,730,000
QMM	2,403	500,000
Ottoway Engineering	2,179	2,875,000
Ottoway Fabrication	1,855	1,280,000
Tasman Power & Tasman Rope Access	1,885	1,220,000
Heavymech	1,320	180,000



Our People



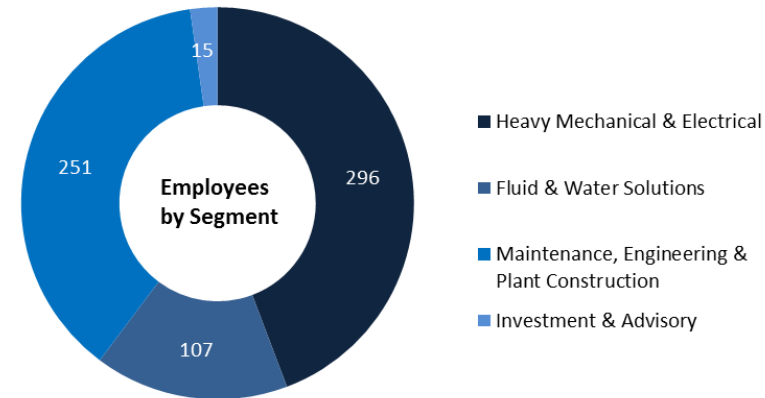
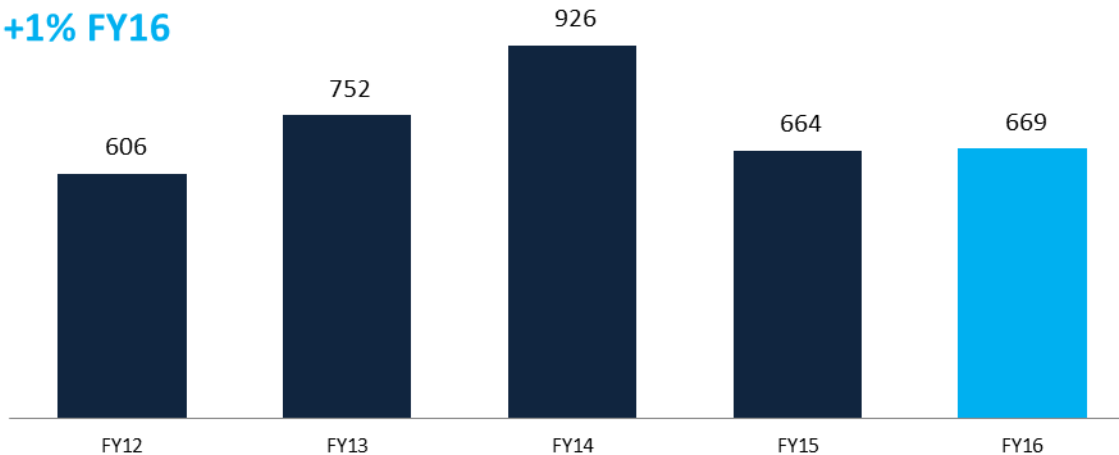
QMM – Crushing Plant, SA



Our People

Employee Numbers

+1% FY16



- EAL subsidiaries retained their core competence and skilled personnel
- Total employee numbers of 669 comparable with prior year. During the year the number of construction employees fell and the number of maintenance employees increased.
- Self-insurance status for South Australian operations extended for a further term of two years



Business Turnaround Progressing

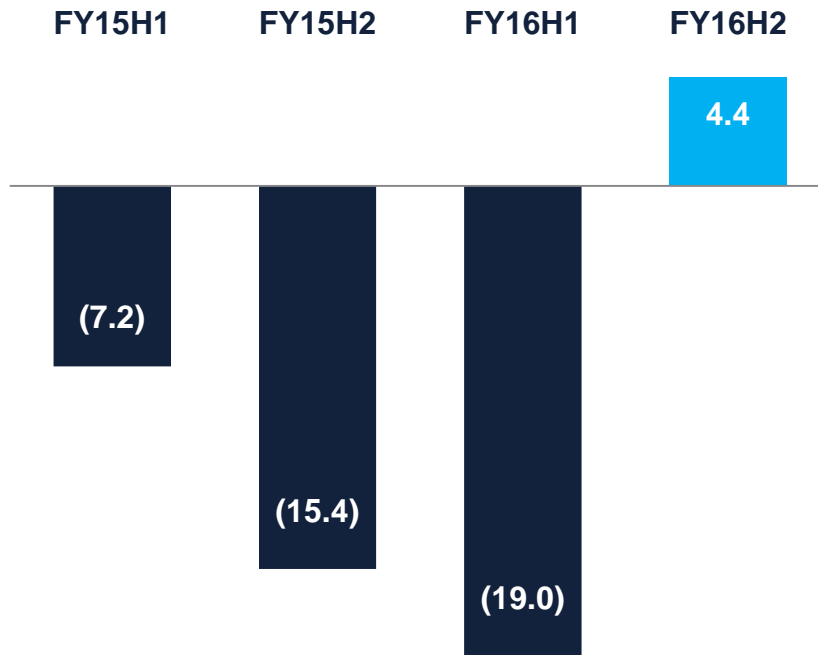


Ottoway Engineering – Smelter Redevelopment, Port Pirie SA



Business Turnaround Progressing

Operating Cash Flow (\$M)



- 19% year on year reduction of administrative & operating expenses delivered by Productivity & Profit Improvement Program
- Improved Contract Management process including contract reviews and monthly evaluation of contract performance
- Successful creation of Tasman Rope Access: reducing shutdown downtime & costs, consequently successfully competing against traditional scaffolding industry players
- Operating Cash Flow positive during FY16 second half: \$4.4 million net operating cash flow generated



Secured & Expected Recurring Revenue



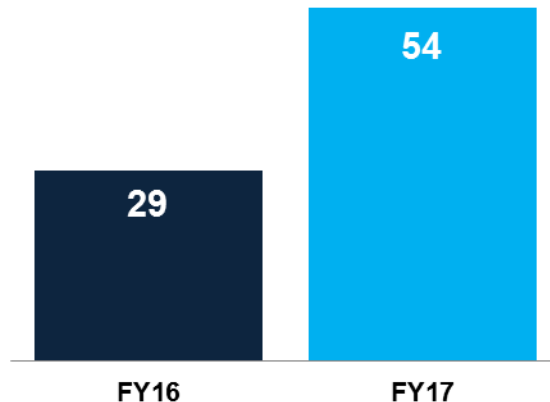
ICE Engineering – Electrical & Instrumentation Works, Port Bonython SA



Secured & Expected Recurring Revenue

Heavy Mechanical & Electrical Engineering

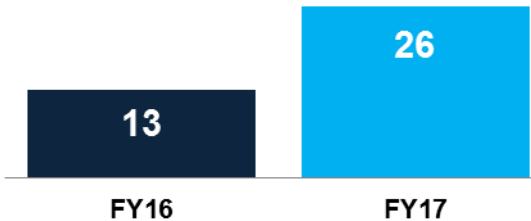
Secured & Expected
Recurring Revenue (\$M)



- Secured construction & maintenance work in home state of South Australia
- Upside potential in fabrication for wind & solar farms

Water & Fluid Solutions

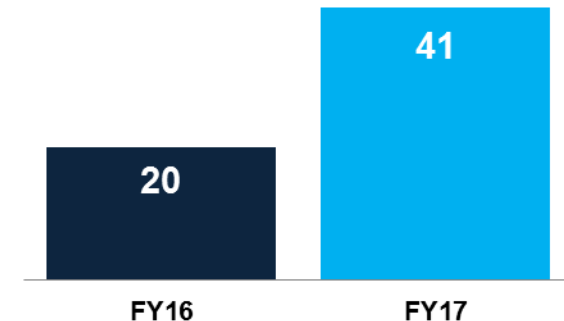
Secured & Expected
Recurring Revenue (\$M)



- Increased demand from mining, oil & gas, landfill, water & agribusiness sector
- Launch of new products throughout FY17

Maintenance Engineering & Plant Construction

Secured & Expected
Recurring Revenue (\$M)



- Secured & recurring contracts in Pilbara & Iron Triangle
- Recurring maintenance & shutdown commands greater share

Note: Secured & Recurring Revenue updated to August 2016 compared to prior corresponding period



FY17 Expectations



Ottoway Fabrication – Solar Tower Fabrication, SA



FY17 Expectations

- Improved revenue, cashflow and earnings
- Finalisation of most, if not all, outstanding claim disputes
- Debt reduction from resolution of claims and funds generated from earnings
- Wind tower fabrication orders anticipated
- Expected sale of Arrium's Whyalla steel business stabilising outlook for EAL's Whyalla based subsidiaries
- Completion of business turnaround with all businesses contributing to earnings



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