



Southern Cross Electrical Engineering

2010 Annual Results Presentation



Presentation Overview



- 2010 full year results
- Four pillars
- Safety and people
- Strategy
- Summary & Outlook



2010 Financial Results



Group Highlights

Financial

- Underlying NPAT \$11.7m (excludes business acquisition costs of \$3.0m)
- Statutory NPAT \$8.7m
- Australian SCEE revenue up 3%
- 6.5 cps fully franked dividend for 2010
- Solid contribution from acquisitions

Operating

- Sixth year in a row with 0 LTIs
- \$40m of contracted revenue on the order book with \$250m in current tenders
- Won 2 national awards
 - NECA Occupational Health & Safety Excellence Award
 - NECA Industrial Excellence Award

Strategic

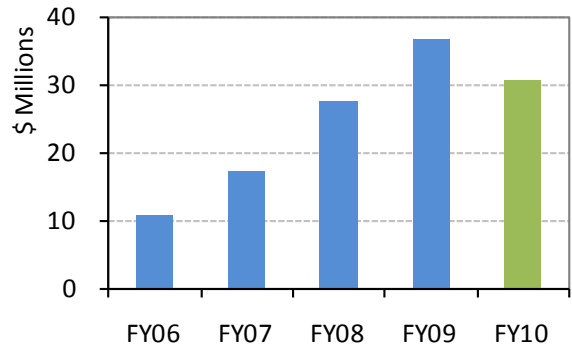
- Successfully re-entered oil & gas market
- Acquired:
 - Hindles – offshore exploration rig electrical maintenance;
 - K.J. Johnson & Co – overhead power line construction; and
 - Oceanic Industries – Brisbane based coal seam gas electrical specialist.

Financial Overview

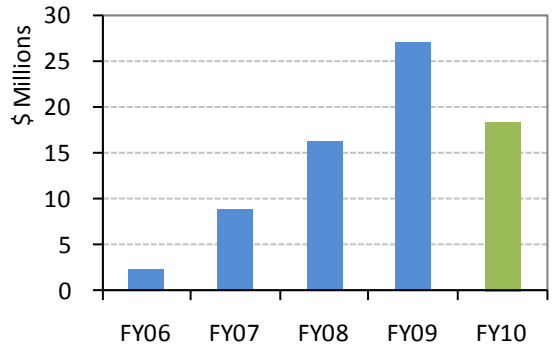
		Jun 10	Jun 09	% change
Sales revenue	\$m	93.4	100.3	-6.9%
EBITDA	\$m	18.3	26.9	-32.0%
Underlying NPAT	\$m	11.7	15.5	-24.5%
Statutory NPAT	\$m	8.7	15.5	-43.9%
NPAT margin	%	12.5	15.4	-19.4%
EPS	cps	7.1	12.9	-45.0%
DPS	cps ff	6.5	6.5	0.0%
Return on equity	%	18.3	37.5	-51.2%
Operating cash flow	\$m	0.2	15.7	-98.7%
Capital expenditure (incl. business acquisitions)	\$m	20.9	2.0	945%
Net cash position	\$m	2.6	31.0	-91.6%

Historical Financial Performance

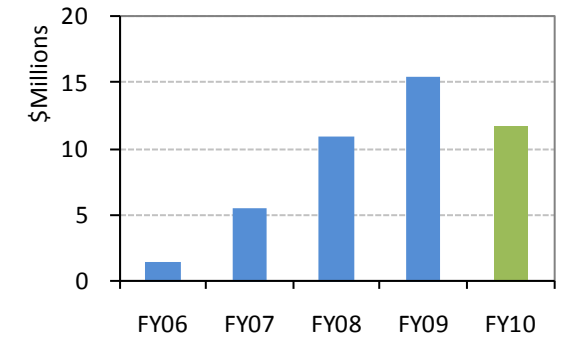
SCEE Five Year Gross Profit



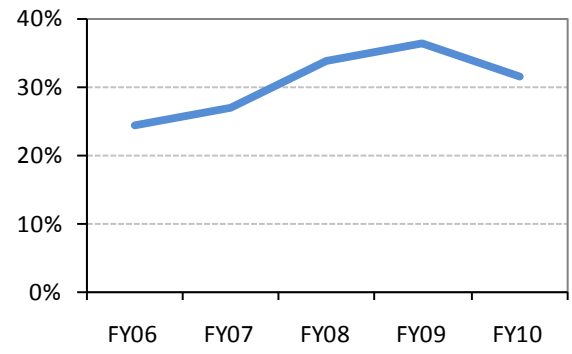
SCEE Five Year EBITDA



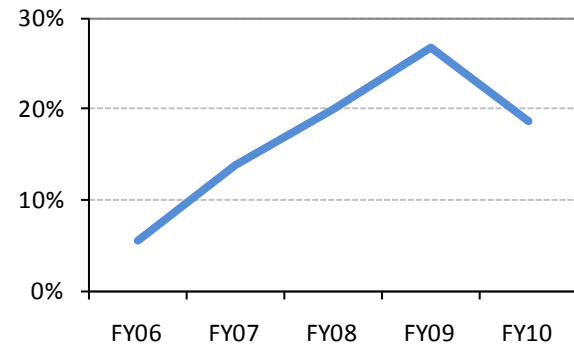
SCEE Five Year NPAT



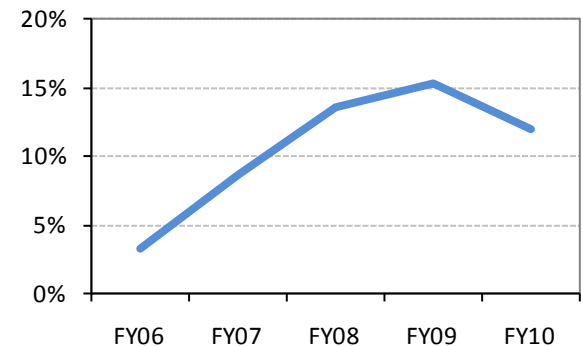
SCEE Five Year GP %



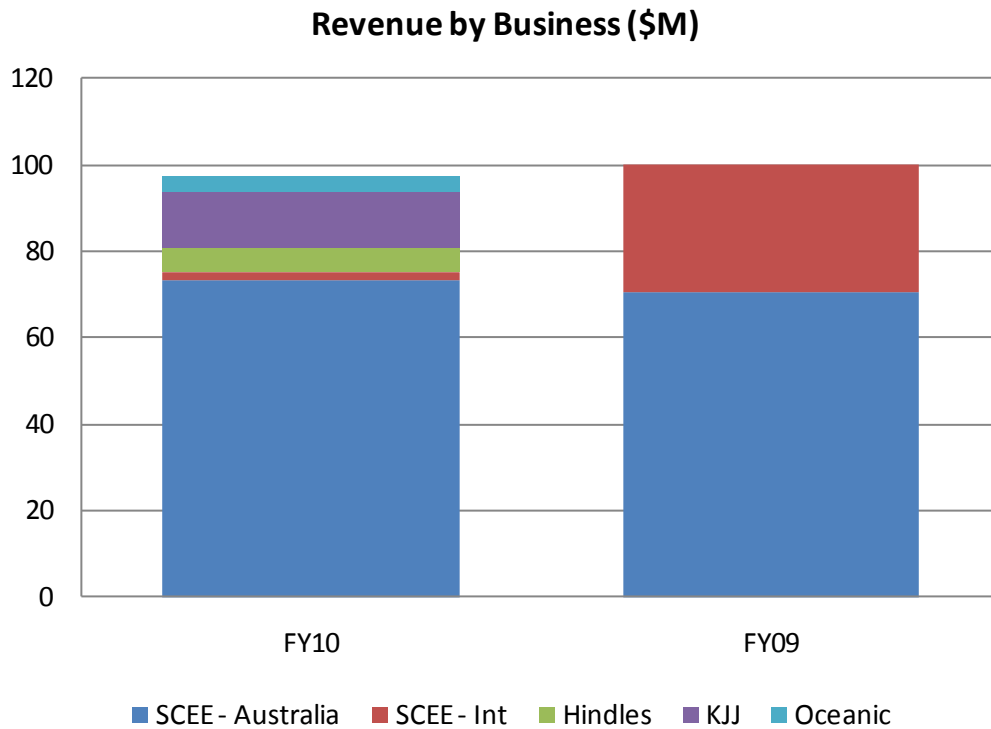
SCEE Five Year EBITDA Margin %



SCEE Five Year NPAT Margin %



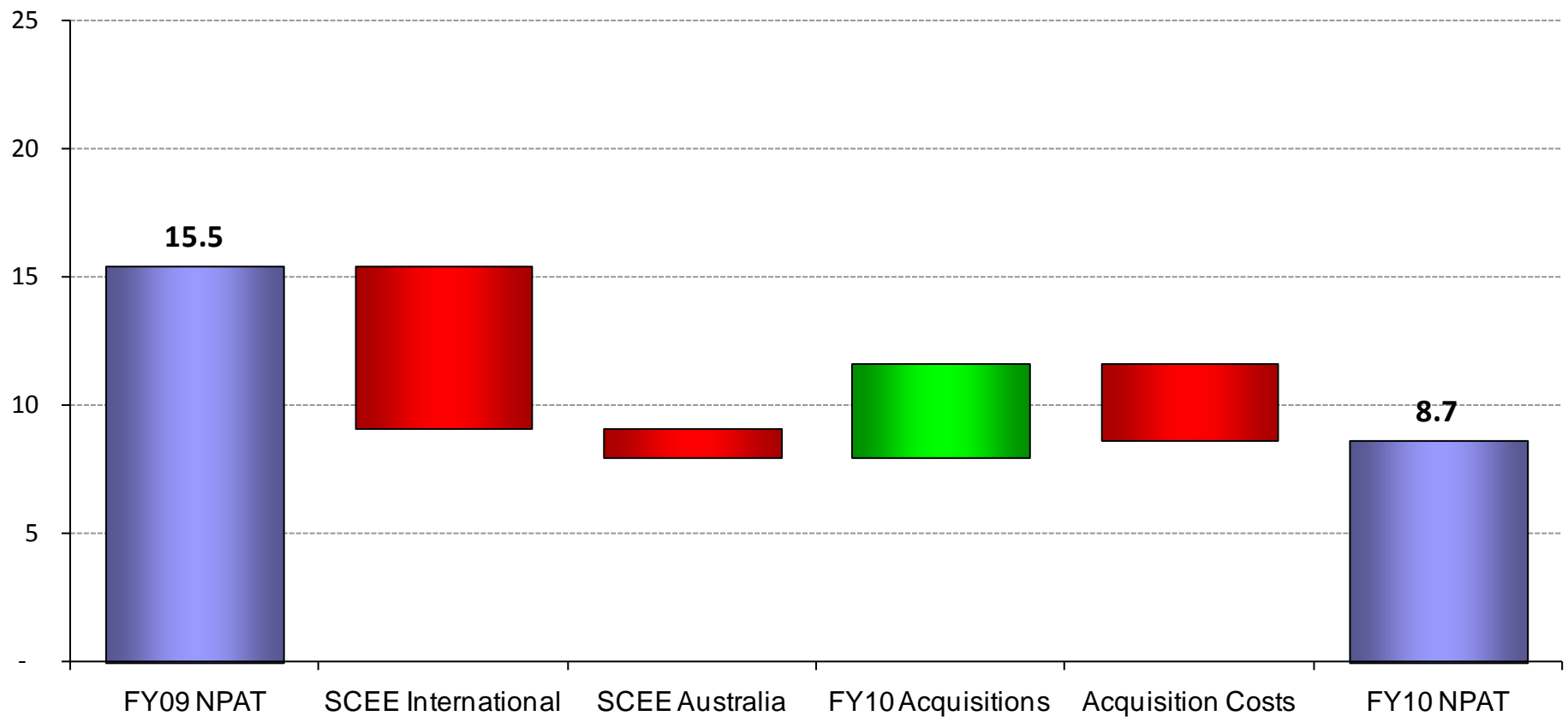
Revenue Contribution



- Revenue from SCEE Australia increased by \$2.7m
- International revenue decreased \$27.6m due to lack of projects
- Acquired businesses contributed \$21.9m
- Gross margins from SCEE Australia increased, however, change in revenue mix lowered group gross margins
- International pipeline is returning

NPAT Contribution Analysis

NPAT Contribution (\$M)



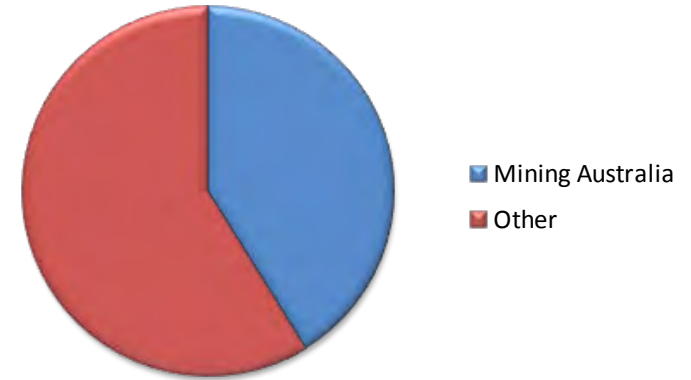
Four Pillars



Minerals & Metal Australia

- Major projects included Brockman 4, Mesa A and Tiwest
- National 2009 NECA Excellence in Safety Award for Cape Lambert port upgrade
- National 2009 NECA Excellence in Industry Award for Cape Lambert port upgrade
- Tiwest performance was leveraged to win Nickel West talc redesign project for BHP Billiton
- Major upcoming projects include:
 - Rio Tinto expansion projects
 - BHP RGP6
 - Sino Iron
 - Gindalbie
 - Fortescue Mining Group

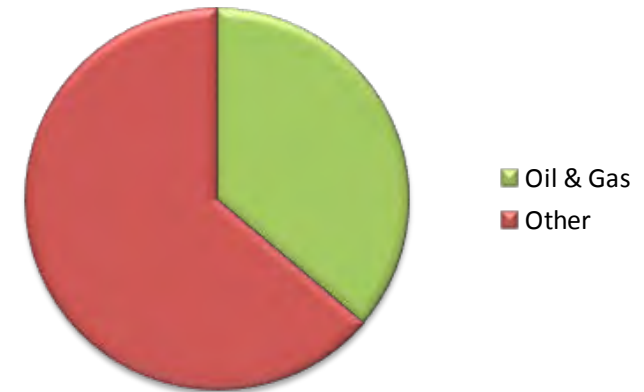
Revenue Contribution



Oil & Gas

- Re-entry into the oil & gas space with award of Pluto off-take and storage E & I contract
- Strategically important for Group's future growth with Gorgon construction commencing in 2011
- Safety performance recognised by NECA with the 2010 WA NECA Excellence in Safety Award on Pluto
- Capacity built in this pillar with:
 - acquisition of Hindles, an offshore electrical maintenance business
 - acquisition of Oceanic Industries, a CSG specialist
- Key clients include Woodside, QGC, Caltex and BP

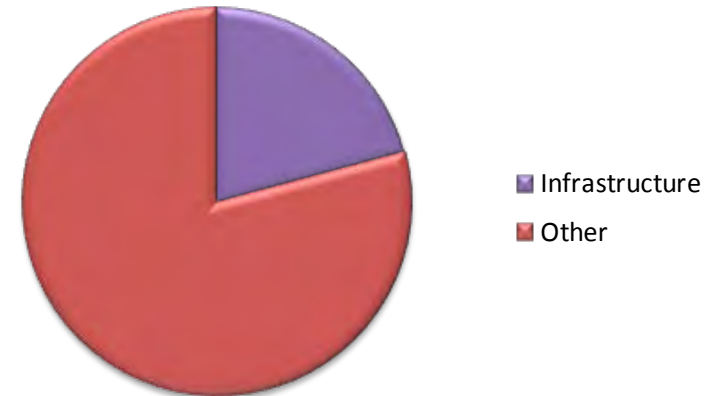
Revenue Contribution



Infrastructure

- Major projects include Brockman 4 and Sino Iron
- Acquisition of K.J. Johnson & Co increases power line capacity
- Leveraging Oceanic’s presence to tender for east coast power line contracts
- Large greenfield minerals and oil & gas projects will see strong demand from resource sector

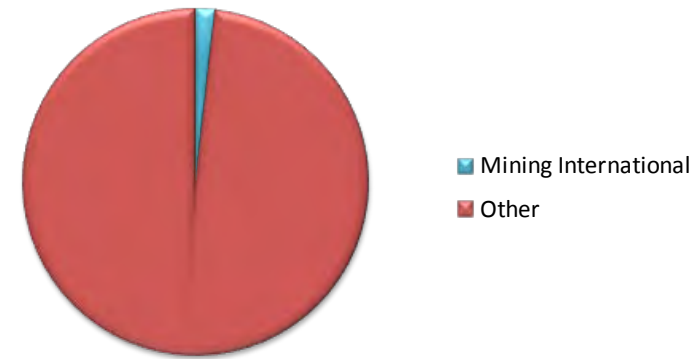
Revenue Contribution



Minerals & Metal International

- 2010 was substantially lower due to a lack of international projects
- Contributed approx \$30m in 2009
- Pipeline in South America and Africa has improved with award decisions expected over coming months
- Major international clients include:
 - Barrick
 - Newmont
 - Goldfields

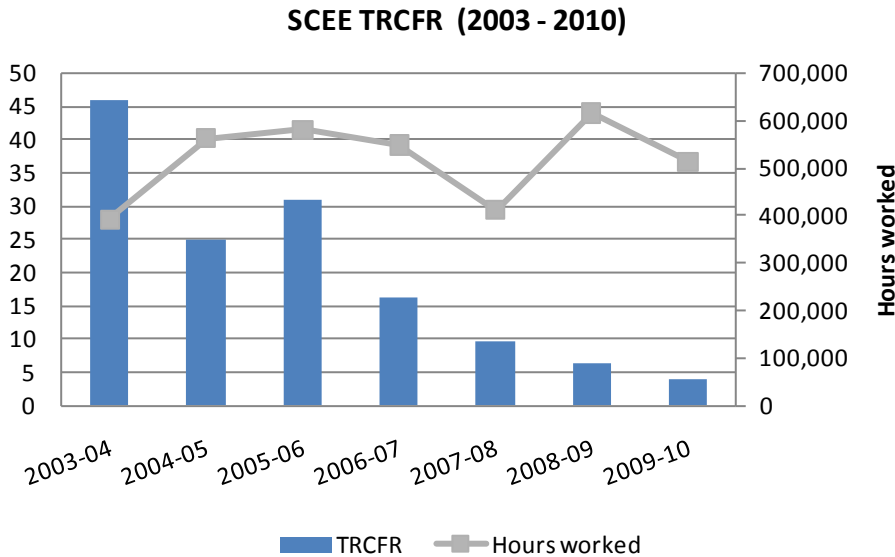
Revenue Contribution



Safety and People



Safety Performance



- 0 LTI's recorded for last 6 years
- 2007 national NECA award winner for excellence in safety
- 2009 national NECA award winner for excellence in safety
- 2010 state NECA award winner for excellence in safety which qualifies SCEE for national nomination
- Numerous client sponsored safety awards at projects such as Pluto and Cape Lambert

Our Team

Permanent employees	90
Permanent staff retention	90%
Total employees	412
Apprentices	25
Indigenous trainees	11

Training and development

- Dedicated Training Supervisor and training management systems
- Continued investment in hazardous area training
- Leadership and mentoring program
- 2011 apprentice intake process has begun



National Electrical and Communication Association Awards



- (2010) **State OH&S Excellence Category** – Pluto
- (2009) **National OH&S Excellence Category** – Cape Lambert Port Upgrade
- (2009) **National Industrial Category** – Cape Lambert Port Upgrade
- (2007) **National OH&S Excellence Category** – Ravensthorpe Nickel
- (2007) **National Industrial Category** – Dampier Port Upgrade Phase B
- (2007) **State Industrial Category** – Dampier Port Upgrade Phase B
- (2006) **State Industrial Category** – Dampier Port Upgrade Phase A
- (2005) **National Industrial Division** – Hismelt Steel Project
- (2001) **National Gold** – Antamina Copper Concentrator
- (2001) **National Industrial Division** – Antamina Copper Concentrator
- (2001) **State Industrial Category** – Antamina Copper Concentrator
- (2000) **National International Division** – Geita Gold Project Tanzania
- (2000) **State Industrial Category** – Geita Gold Project Tanzania

Strategy



SCEE – an E&I Market Leader

Core values, key strengths

- Our Customers**
 - Proven track record with blue-chip customers over 32 years
- Our People**
 - A deeply experienced team across all levels of the business
- Our Reputation**
 - Ability to complete a project safely, on time and at the highest level of quality
 - Ability to maintain strong reputation for ethical contractual behaviour
- Our Performance**
 - Proven ability to set-up and perform in remote locations
- Our Experience**
 - Significant experience in the resource sector
- Our Flexibility**
 - Ability and experience completing diverse projects in countries throughout the world

Quality client base⁽¹⁾

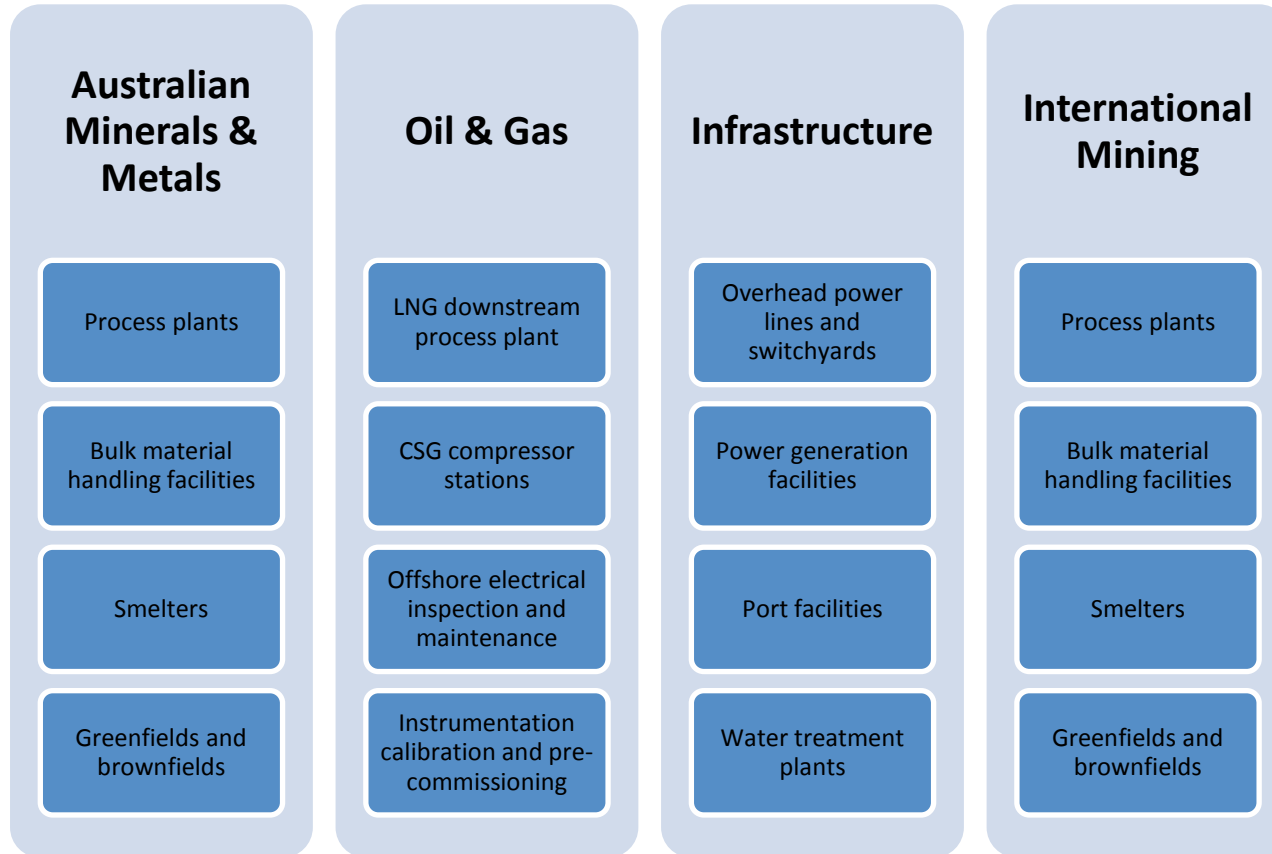


Quality EPC / engineer relationship base⁽¹⁾

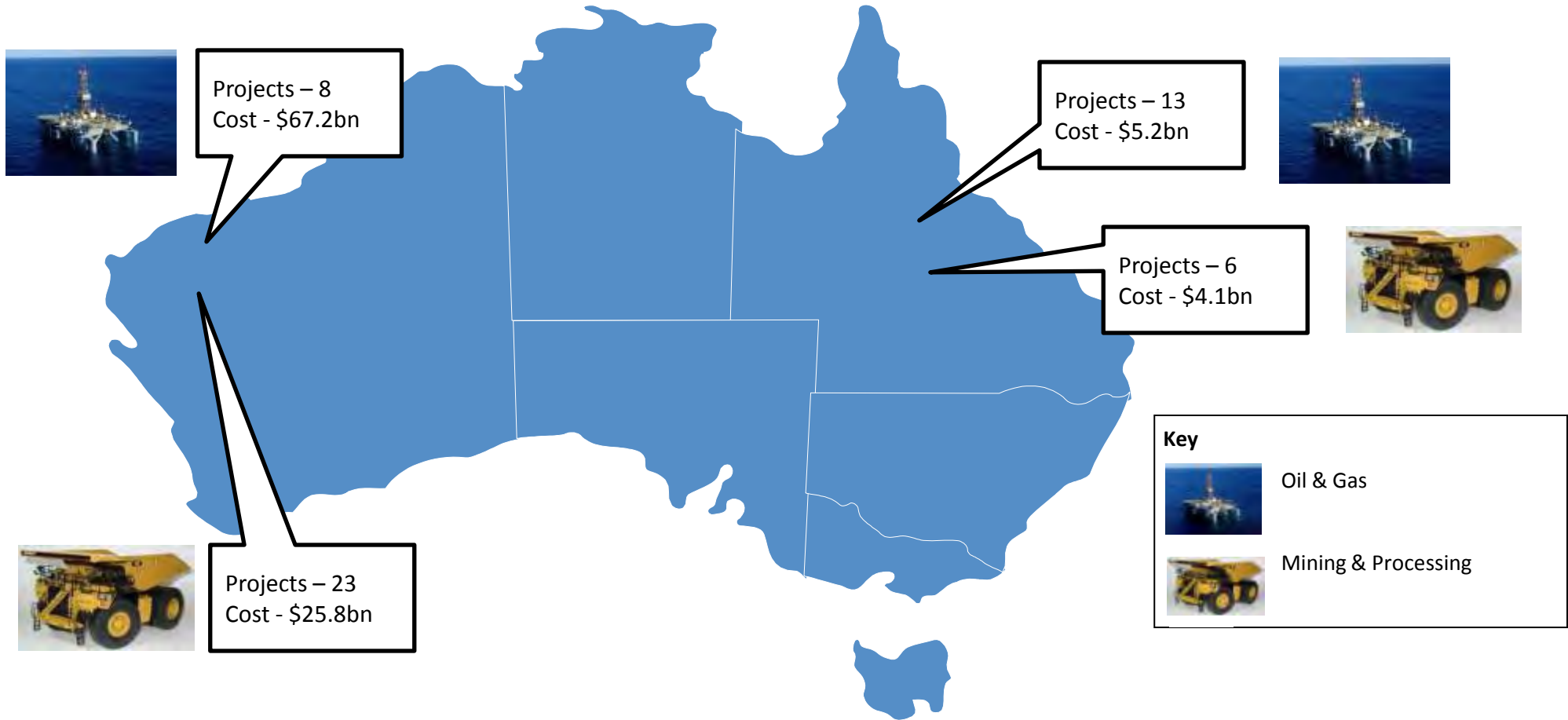


⁽¹⁾SCEE Group clients and engineers

Four Pillars



Major Minerals and Energy Projects (cont)



Source: List of Major Minerals and Energy Projects, Abare Economics, October 2009

Australian tracked projects

<i>Project Description</i>	<i>Sponsor</i>	<i>Total Project Value (\$m)</i>	<i>Estimated Engineering Construction (\$m)</i>	<i>E&I % of Estimated Engineering Construction</i>	<i>Estimated E&I Contract (\$m)</i>	<i>Expected Commencement</i>	<i>Expected Completion Date</i>
Sino Project	CITIC Pacific	1,363	954	3%	29	Underway	Mid 2011
Karara (magnetite)	Gindalbie Metals	1,041	937	3%	28	Underway	Early 2012
Brockman Syncline 4 - Phase B	Rio Tinto	700	630	3%	19	Late 2010	Mid 2012
Hope Downs 4	Rio Tinto	700	630	3%	19	Late 2011	Mid 2013
Jack Hills Stage 2	Crossland Resources	1,500	1,350	3%	41	Early 2012	Late 2014
RGP 6	BHP Billiton	2,700	2,430	3%	73	Early 2012	Late 2015
Western Turner Syncline	Rio Tinto	1,400	1,260	3%	38	Early 2013	Early 2015
Marillana	Brockman Resources	1,350	1,215	3%	36	Early 2015	Early 2017
Tropicana	Anglogold Ashanti	540	405	3%	12	Early 2012	Late 2013
Windimurra vanadium Project	Windimurra Vanadium Ltd	296	162	3%	5	Late 2010	Early 2012
Narrabri Coal - expansion (longwall)	Narrabri Coal	300	120	3%	4	Late 2012	Late 2014
Curtis LNG Project	QGC & BG Group	7,500	5,250	3%	158	Late 2013	Mid 2017
Gorgon LNG - offshore gasfield development	Chevron/Shell/Exxon Mobil	19,000	19,000			Underway	Early 2016
Gorgon LNG - 1st Production Train	Chevron/Shell/Exxon Mobil	7,500	7,500	3%	225	Underway	Early 2014
Gorgon LNG - 2nd Production Train	Chevron/Shell/Exxon Mobil	7,500	7,500	3%	225	Late 2010	Late 2014
Gorgon LNG - 3rd Production Train	Chevron/Shell/Exxon Mobil	7,500	7,500	3%	225	Early 2011	Early 2016
Gorgon LNG - Geosequestration Plant	Chevron/Shell/Exxon Mobil	1,500	1,500			Early 2010	Late 2013
Macedon gasfield	BHP Billiton / Apache Energy	1,000	750	3%	23	Late 2011	Early 2013
Wheatstone LNG - 2 x 4.3 Mtpa Trains	Chevron/Apache/KUFPEC	14,000	12,600	3%	378	Early 2014	Early 2018
Total tracked projects		77,390	71,693		1,536		

Source: BIS Shrapnel

Summary & Outlook



Summary & Outlook

- Post GFC, key clients have re-commenced their project investment plans
- Contracted revenue currently at \$40m with tenders totalling approximately \$250m in the decision phase
- Successful re-entry into oil & gas market places SCEE in a strong position for upcoming work on Gorgon
- International projects have re-commenced with contract awards expected to be announced by Barrick over coming month
- The combination of WA mining opportunities and east coast tenders has KJJ set for solid growth
- Queensland CSG and PNG LNG opportunities for Oceanic provides strong growth pipeline for Oceanic
- Positioning of Hindles as SCEE's E & I maintenance division has begun