



Southern Cross Electrical Engineering

RBS Morgans Engineering and Construction Conference

Thursday, 11 March 2010

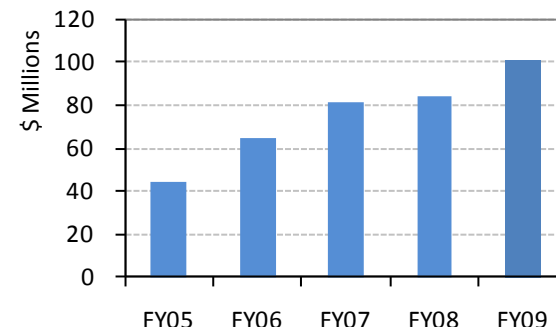


Who we are

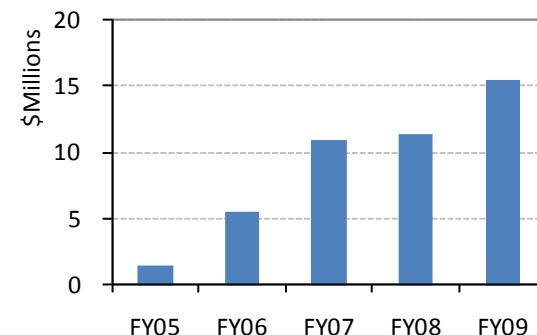
“SCEE is a leading provider of large scale specialised electrical, control and instrumentation installation and testing services for the resources, infrastructure and heavy industrial sectors”

- Founded in 1978
- Listed on ASX in November 2007
- 0 LTIs for over 4 years
- Strong service delivery reputation
- Progressively taken on larger jobs
- Over 400 people operating in Australia and overseas
- Strong growth record
- Never made a loss on a project and never been in litigation
- Strong balance sheet
- Low capex requirements

SCEE Five Year Revenue



SCEE Five Year NPAT



National Electrical and Communication Association Awards



(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

Best among peers

Strategic Objectives

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Status

Grow Electrical Engineering Business

- Expand our capability
- Enter new market segments and geographies

- Hindles and Oceanic increases oil & gas capability
- KJJ increases power line capability
- Re-entry into east coast market and entry into the CSG market through Oceanic

Reliable and Sustainable Performance

- Diversify revenue streams
- Enter counter cyclical markets
- Secure annuity income streams

- Hindles and Oceanic increases oil & gas capability
- Oceanic provides east coast presence
- Tendering commenced on water projects and other opportunities being pursued
- Focus is on recurrent clients such as Barrick, Rio Tinto, Queensland Gas Company and Songa

Create New Growth Platforms

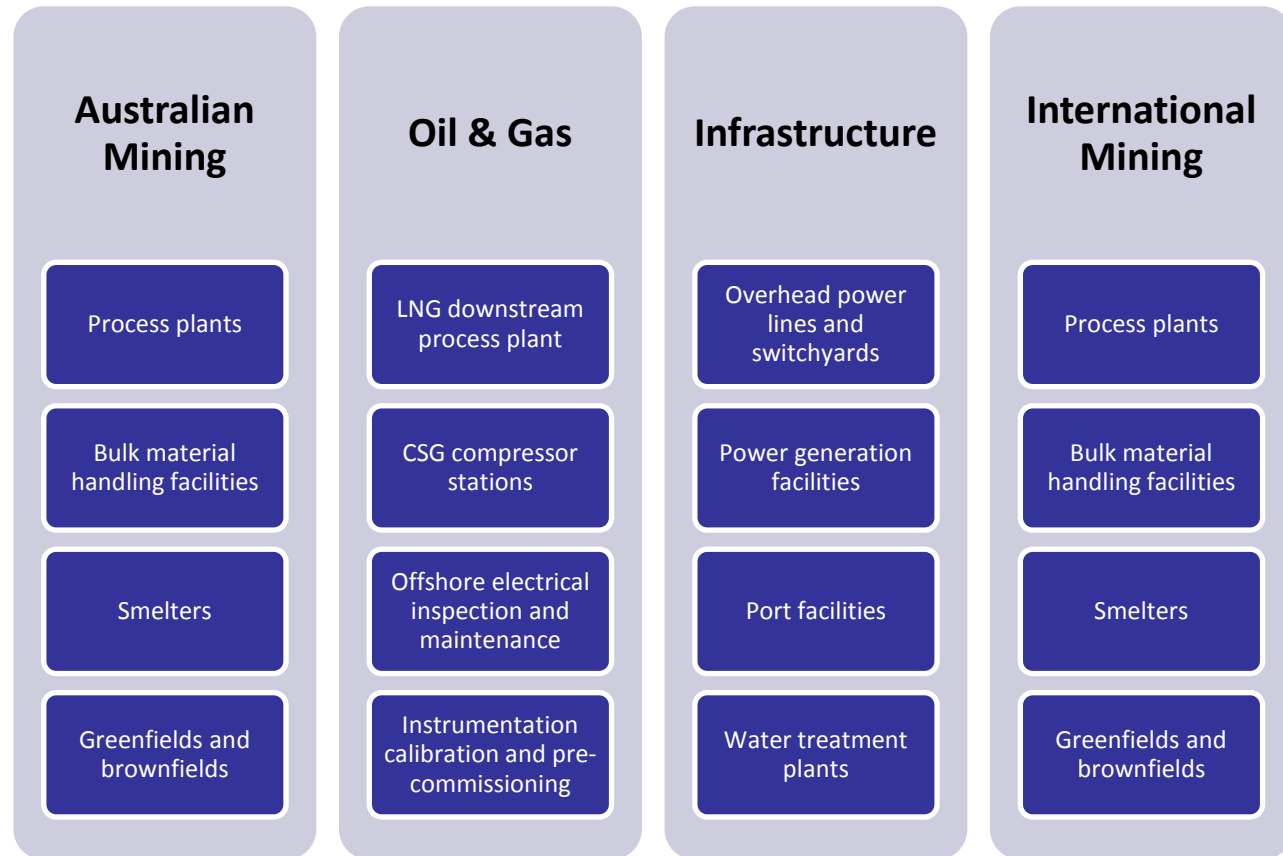
- Enter complimentary engineering segment

- In progress

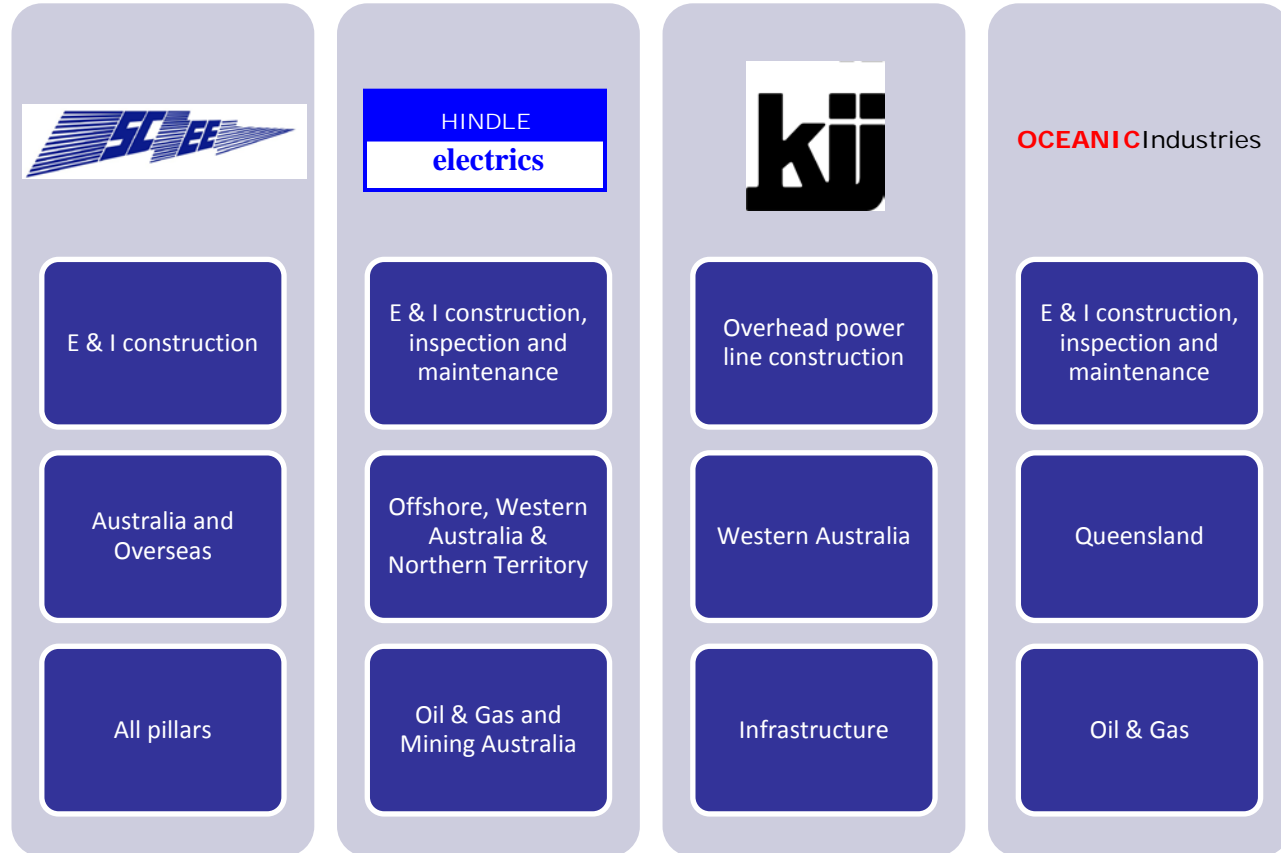
Building strong capacity and capability for the future

Safety and quality assured.

The Four Pillars



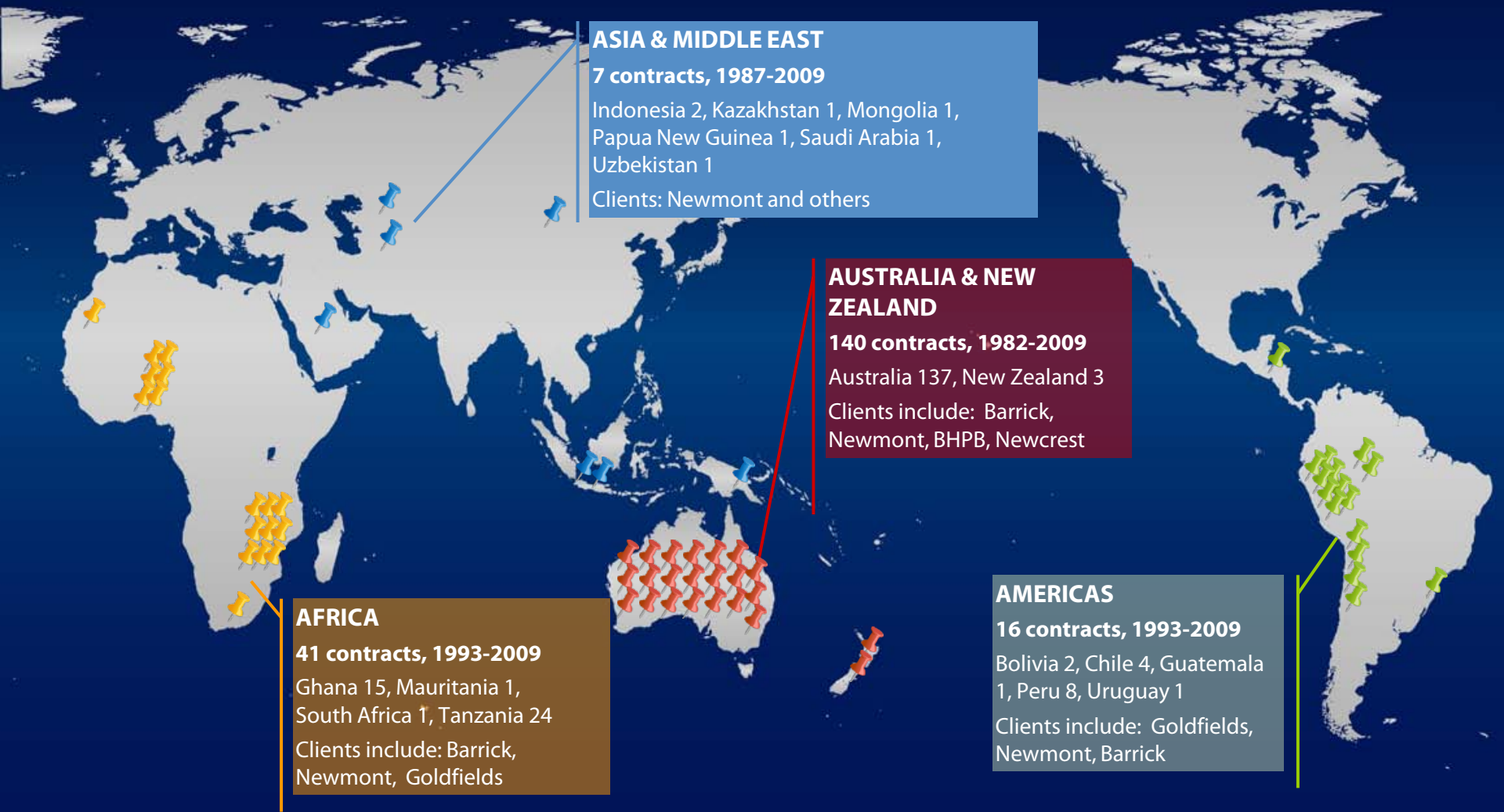
Our Brands



An excellent platform with strong capacity and capability

SCEE International Gold Contracts

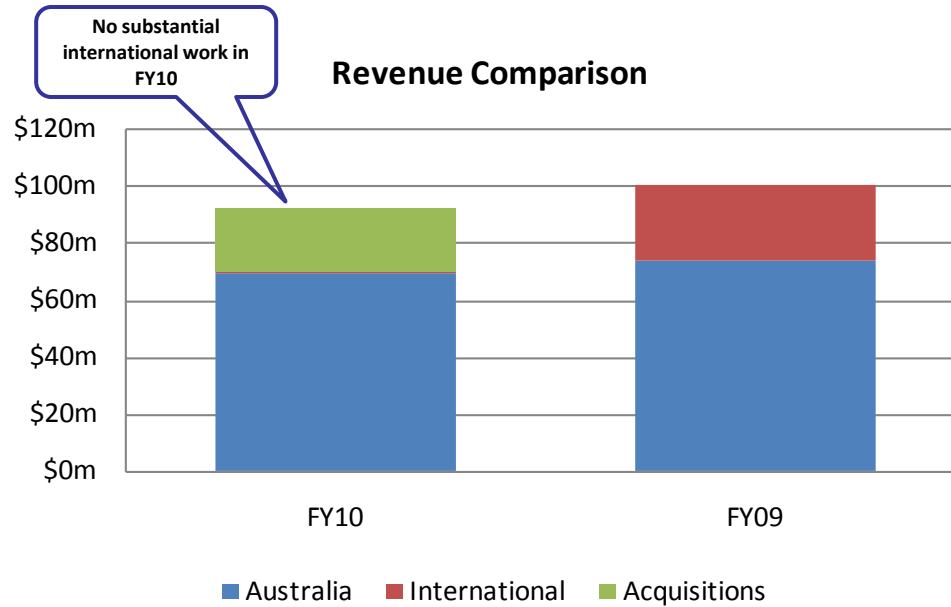
Largest of any international E&I contractor



First Half Financial Results

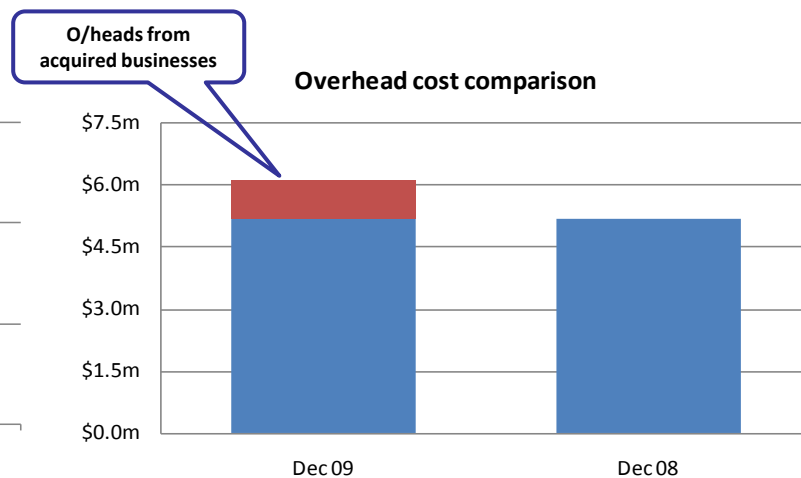
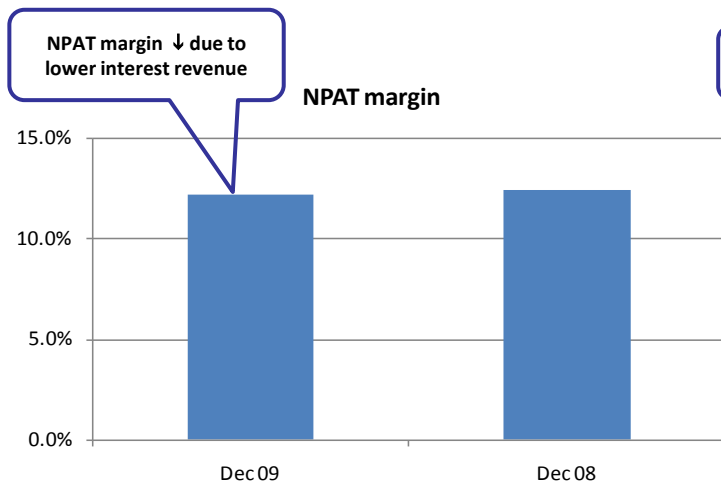
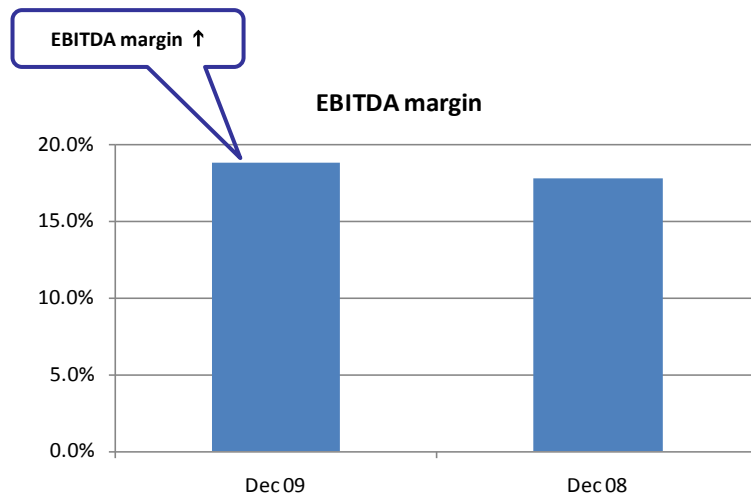
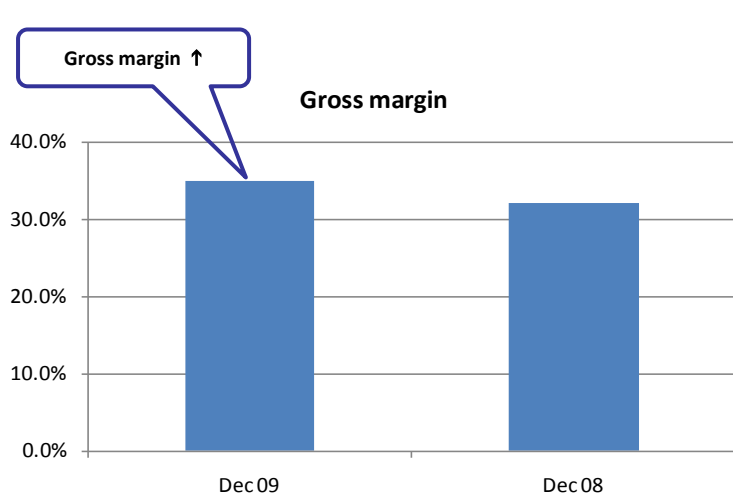
\$ millions	Dec 09	Dec 08
Revenue	39.2	57.7
Gross Profit	13.7	18.6
Foreign exchange losses & other income	(0.2)	(3.1)
Overheads	(6.1)	(5.2)
EBITDA	7.4	10.3
Depreciation	(0.7)	(0.5)
Net interest	0.2	0.6
Tax	(2.1)	(3.2)
NPAT before business acquisition costs	4.8	7.2
Business acquisition costs and amortisation	(1.7)	-
Tax benefit	0.2	-
Statutory NPAT	3.3	7.2

FY10 Outlook



- FY10 second half revenue expected to be approximately \$11 million greater than first half
- Gross profit margins are expected to be similar to first half
- Overhead costs are expected to remain constant across the year
- Additional acquisition costs will be expensed in second half due to purchase of Oceanic
- Managing Director recruitment process well advanced

Key Financial Metrics



Key financial metrics remain robust

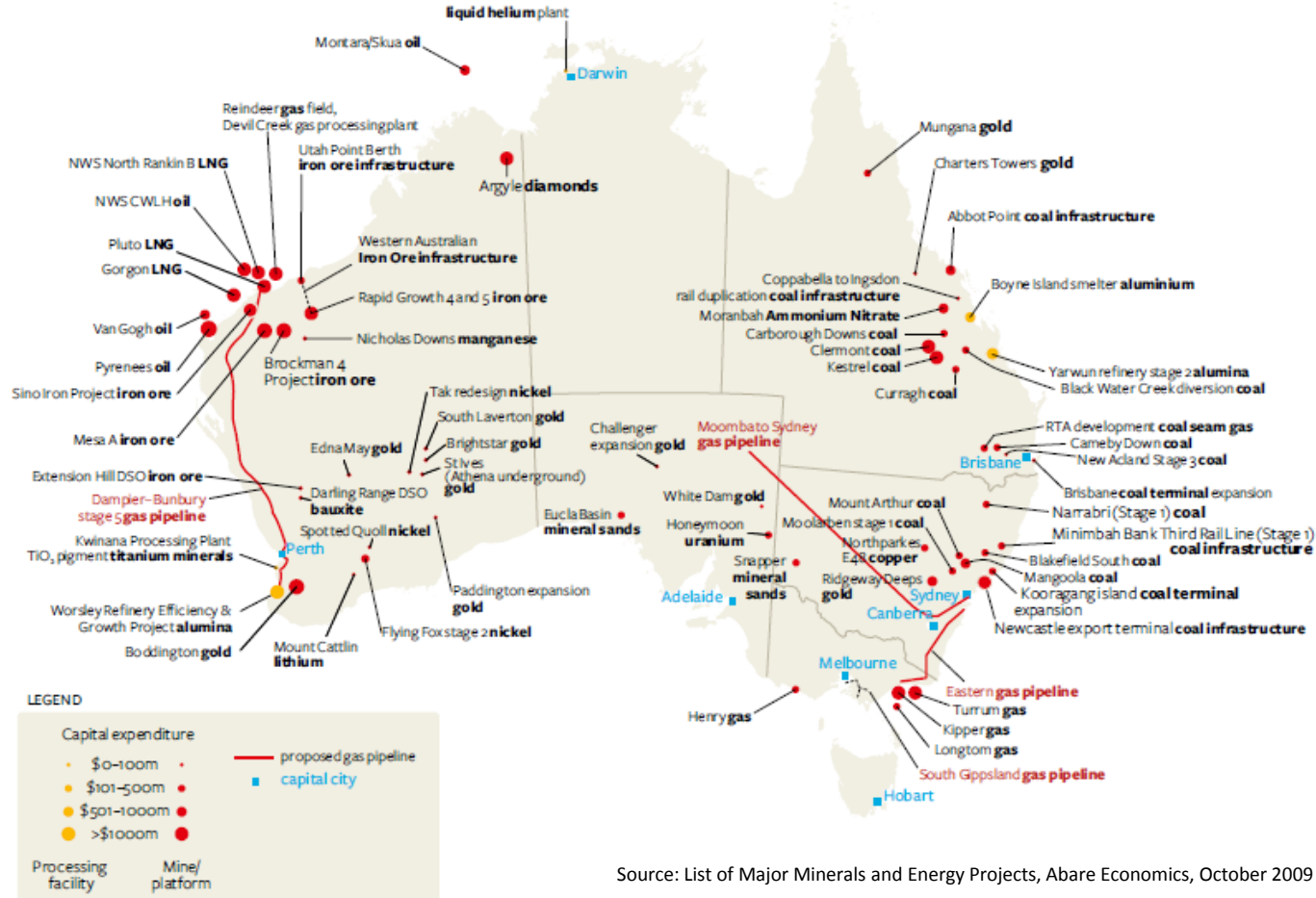
Balance Sheet

The key balance sheet items are:

- Net cash \$16.1m.
- Receivables are lower as contracts are either just commencing or completing. Tier 1 clients mean no bad debts.
- Intangible assets and goodwill - due to acquisition on Hindles and K.J. Johnson & Co.
- Creditors position reflects status of contracts

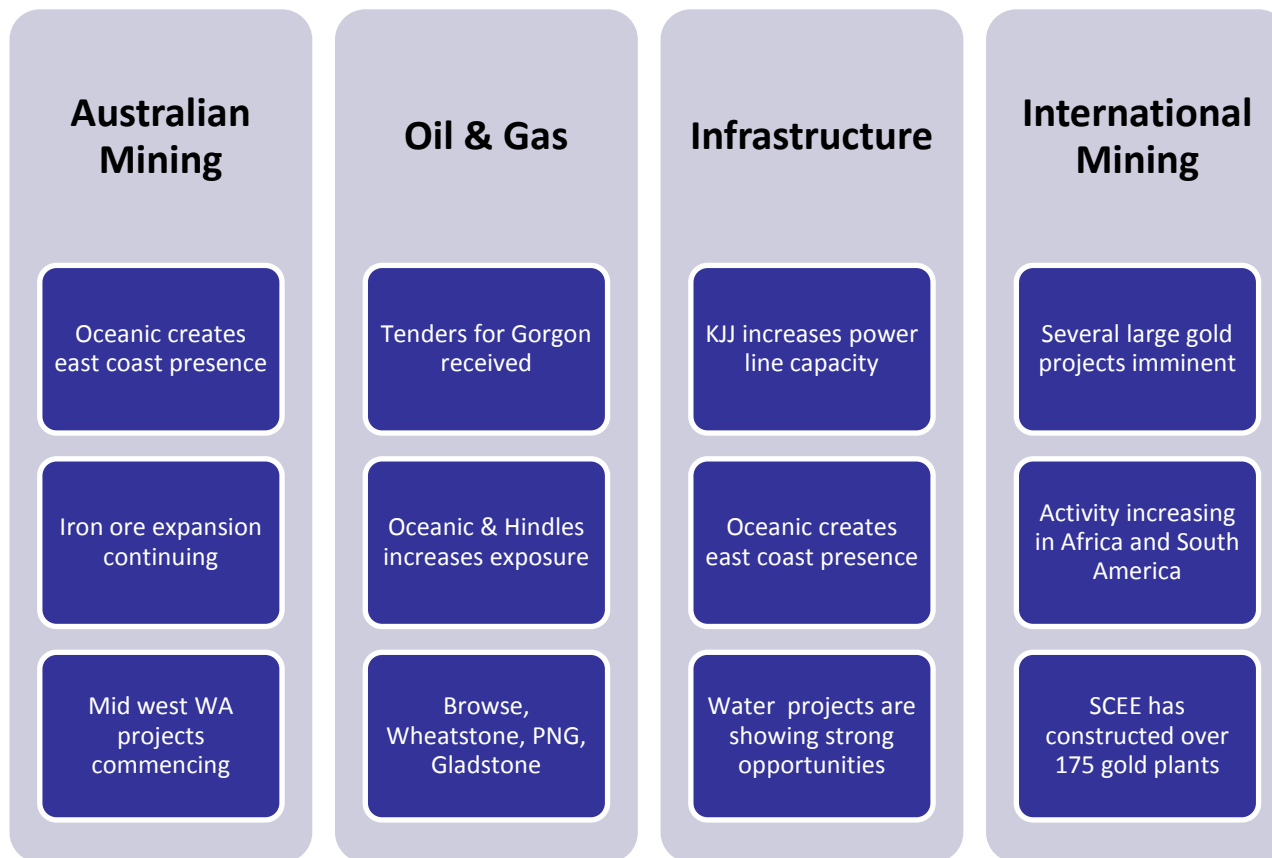
Strong cash position and robust balance sheet

Major Minerals and Energy Projects



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

FY11 Outlook & Beyond



Planned projects to provide strong growth

Conclusion

- Outstanding reputation again recognised at national NECA awards
- Key financial metrics being maintained
- Strong cash position and robust balance sheet
- Planned and anticipated projects provide strong organic pipeline
- Successfully building capability and capacity

Well positioned for future pipeline