Investor Presentation
Half Year Results Roadshow

1 April 2014

Highlights

Financial	H1 Revenue of $110.7m and gross margin of 23.5% H1 NPAT of $6.2m Maintaining strong balance sheet
Operational	Successful completion and close out of key contracts on time and on budget Order book of $135.9m at 28 February 2014 with $20m in advanced negotiations First LNG award secured by KSJV
Outlook	Forecast FY14 revenue in the range of $235-255m with NPAT in the range of $7-10m due to delays in anticipated award and commencement of contracts and reduction in gross margins Achievement dependent on timing of award and execution of contracts Focus on increasing recurring revenues

About SCEE

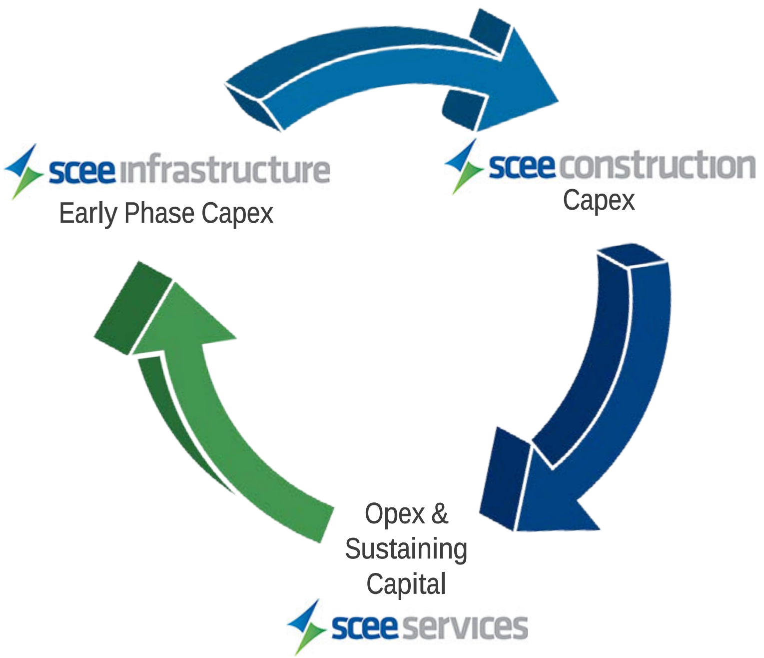
Emerging Tier One provider of specialised electrical and instrumentation services

Delivers services to large-scale resource projects across Australia and overseas throughout the project life cycle

Strong reputation for safety and excellence

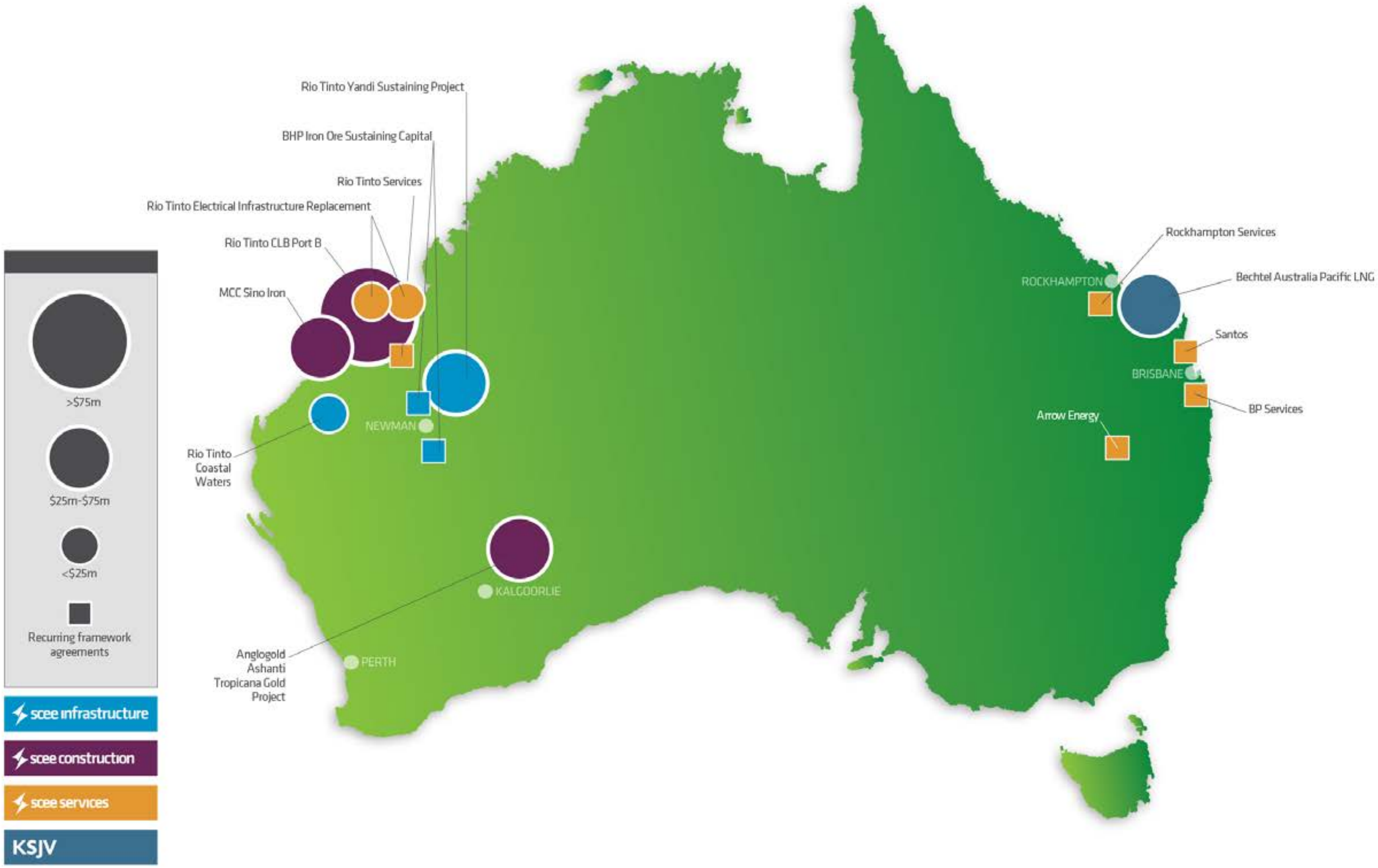
Established in 1978 and listed on the Australian Securities Exchange in 2007 under the code SXE

Project life cycle support



Exposure to six sectors

FY14 projects



Half year financial results

	HY14 $m	HY13 $m	Change %
Revenue	110.7	120.6	-8%
Gross profit	26.0	24.0	8%
Gross margin	23.5%	19.9%	
EBITDA	12.3	9.5	29%
EBIT	8.8	7.2	22%
NPAT	6.2	4.3	45%
Net Margin	5.6%	3.5%	

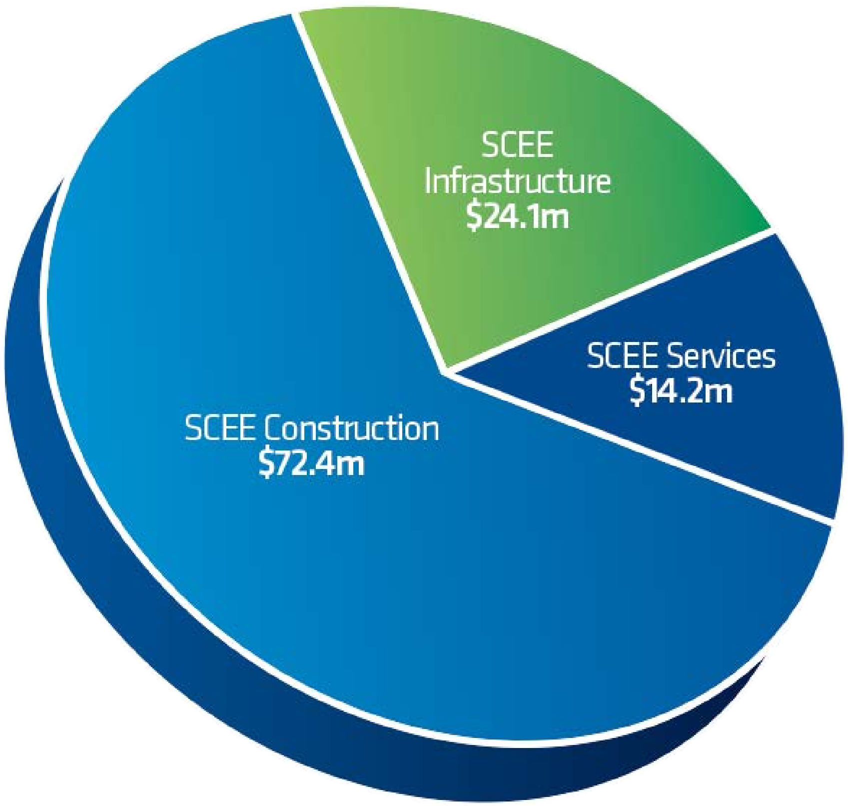
45% increase in NPAT from PCP

Strong gross margins in H1 from a project mix weighted towards large scale lump sum works and the capacity to utilise owned rather than hired equipment

Activity slowed towards the end of the period due to a timing gap between project close outs and new awards

Focussed on managing overhead base to strike a balance between cost control and operational effectiveness

Revenues by operating division



Main Contributors:

SCEE Infrastructure

- BHP Sustaining Capital
- Rio Tinto Yandi Expansion

SCEE Construction

- Rio Tinto Cape Lambert Port B
- AngloGold Ashanti Tropicana Gold

SCEE Services

- Rio Tinto Services
- Rio Tinto EIR program
- BP and Caltex refineries

Balance sheet

	Dec 13 $m	Jun 13 $m
Current assets	86.8	106.7
Non current assets	50.4	51.0
Total assets	137.2	157.7
Current liabilities	29.9	43.8
Non current liabilities	4.8	12.6
Total liabilities	34.6	56.4
Equity	102.6	101.3

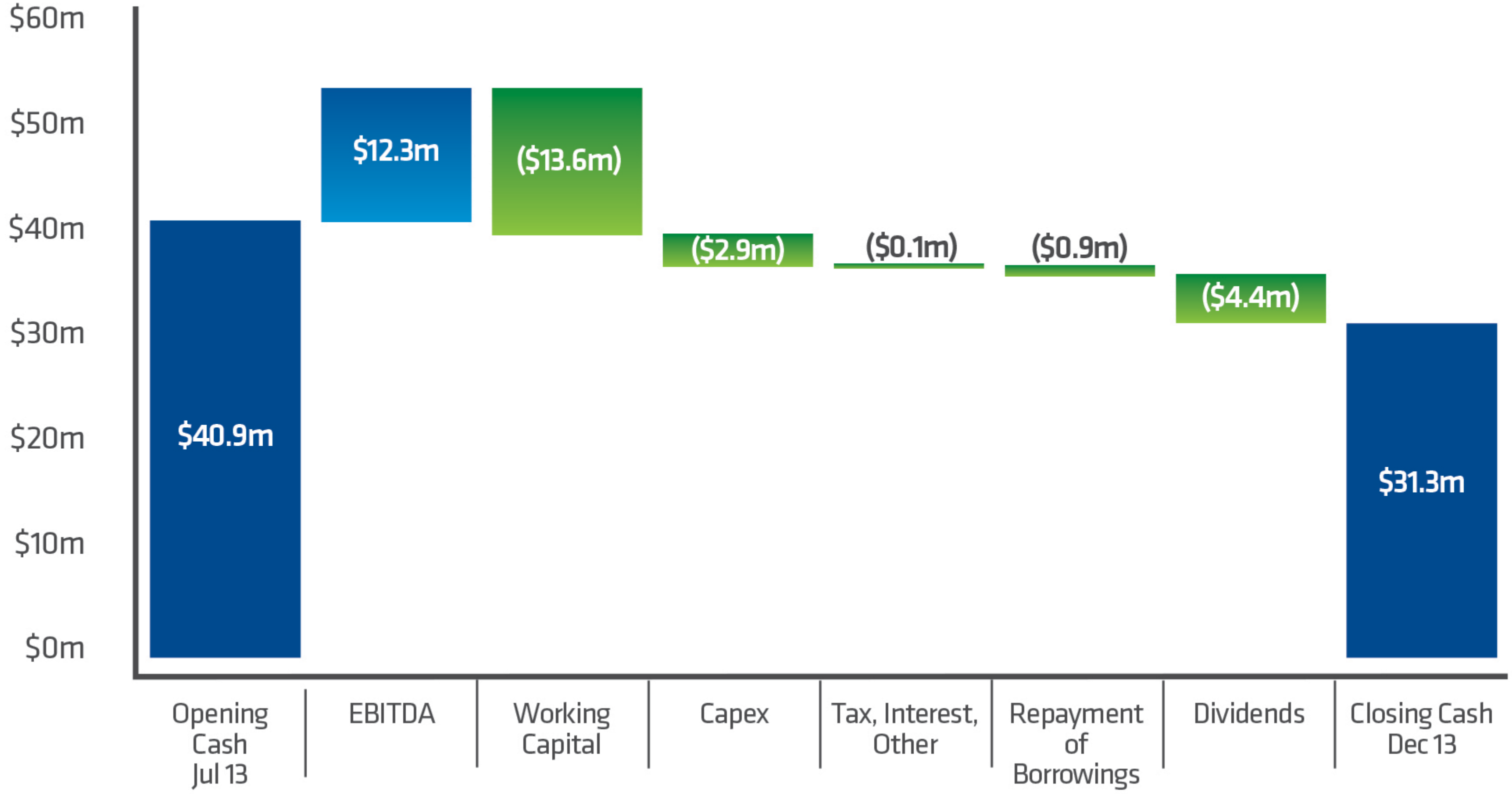
Maintained a strong balance sheet throughout the period

Cash of $31.3m and minimal debt of $3.6m at 31 December 2013

Over $30m of short term receivables as a result of close out and invoicing of key contracts - received post period end

Low capital expenditure of $3.9m in H1 following plant and equipment fleet expansion in FY12 and FY13

Cashflow



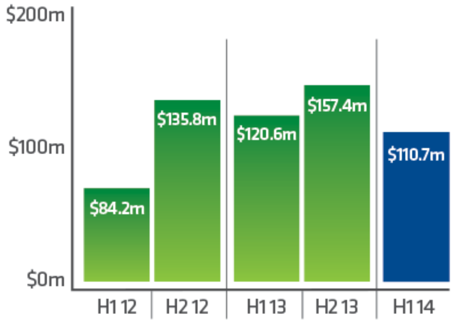
$60m
$50m
$40m
$30m
$20m
$10m
$0m
$40.9m
$12.3m
($13.6m)
($2.9m)
($0.1m)
($0.9m)
($4.4m)
$31.3m
Opening Cash Jul 13
EBITDA
Working Capital
Capex
Tax, Interest, Other
Repayment of Borrowings
Dividends
Closing Cash Dec 13

Historical results summary

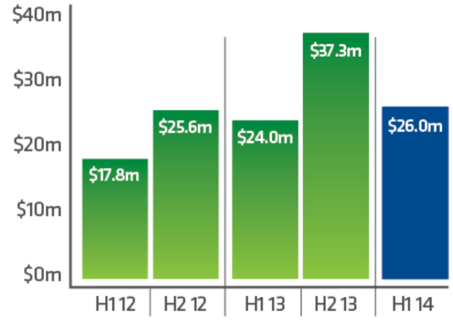
	H1 12 $m	H2 12 $m	H1 13 $m	H2 13 $m	H1 14 $m
Revenue	84.2	135.8	120.6	157.4	**110.7**
Gross profit	17.8	25.6	24.0	37.3	**26.0**
Gross margin	21.1%	18.9%	19.9%	23.7%	**23.5%**
EBITDA	8.3	13.9	9.5	21.7	**12.3**
EBIT	7.3	12.1	7.2	18.1	**8.8**
NPAT	5.1	8.6	4.3	13.0	**6.2**
Net margin	6.1%	6.3%	3.5%	8.3%	**5.6%**
Dividend (cps)	0.0	2.25	0.0	2.70	**0.0**
Net Cash	16.8	30.0	41.5	36.3	**27.7**
Net Assets	78.3	86.9	87.9	101.3	**102.6**

Financial trends

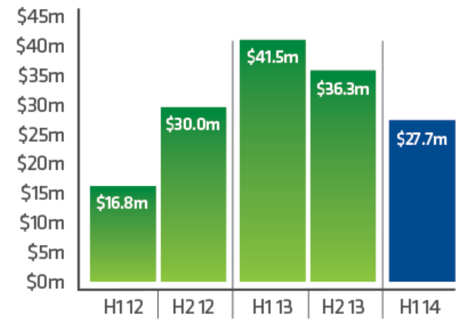
Revenue



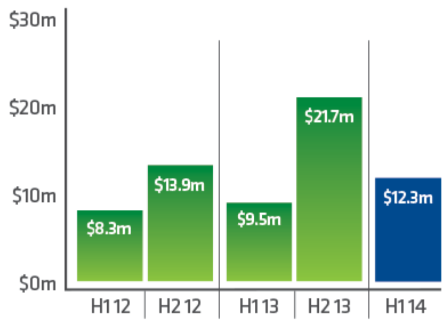
Gross profit



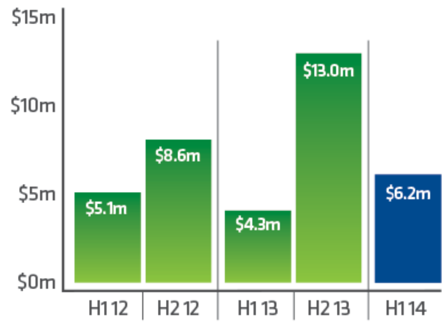
Net cash



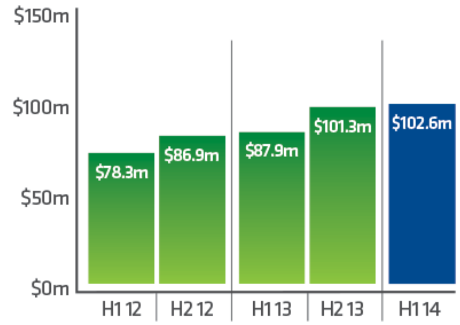
EBITDA



Net profit after tax



Net assets



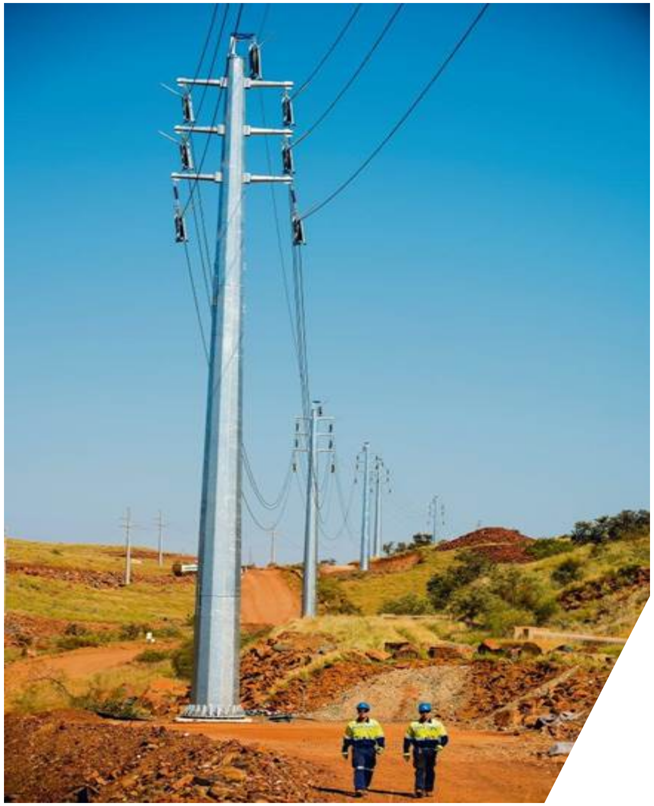
Dividends

Dividend policy to pay up to 50% of retained earnings

FY12 and FY13 dividend payout of 25% retained earnings

No interim FY14 dividend declared

Franking account balance at 31 December 2013 of $5.6m



Contract wins

Rio Tinto Cape Lambert Port B Phase B

- Approximately $80m of E&I works awarded
- Follows successful completion of Phase A works

Civmec Nammuldi

- Subcontracting to Civmec at Rio Tinto's Nammuldi project
- Award value of over $10m

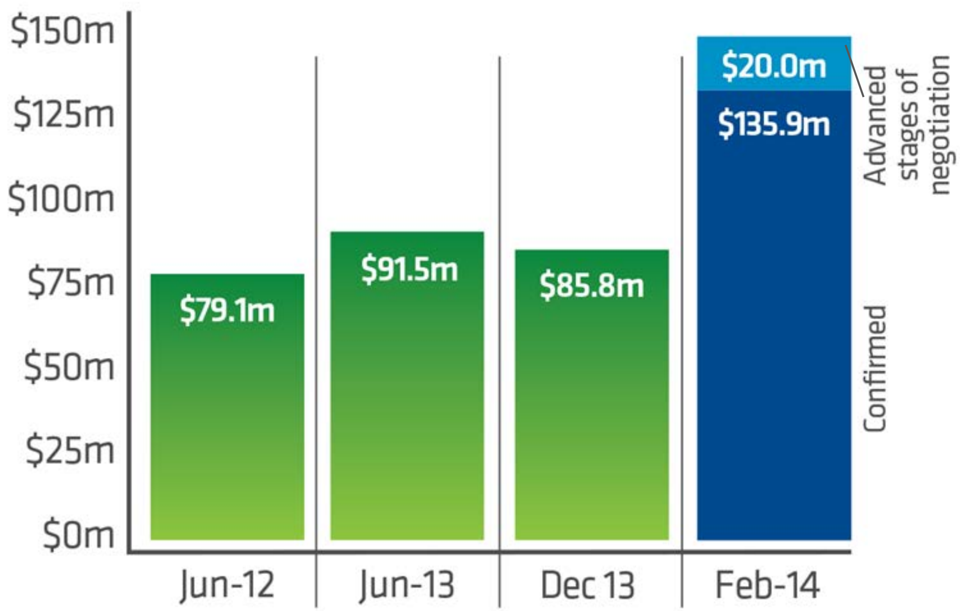
Rio Tinto Electrical Infrastructure Replacement

- Replacement, refurbishment and installation of new electrical equipment at Cape Lambert and East Intercourse Island
- Approximately $20m awarded to SCEE Services to date

KSJV – Bechtel Australia Pacific LNG

- First LNG award for KSJV with value in excess of $40m
- Subcontract from Bechtel for electrical installation services

Order book



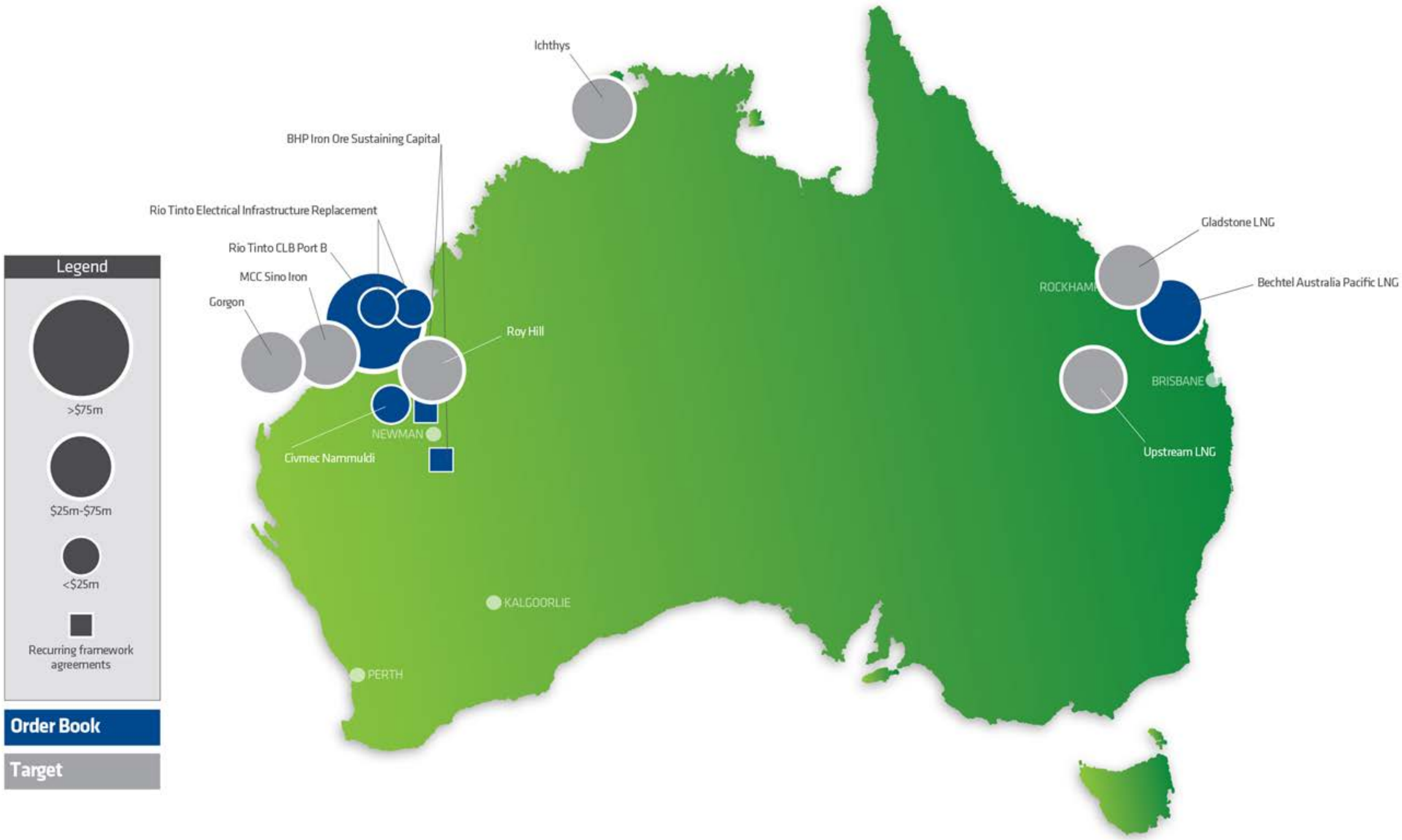
Order book at 28 February 2014 over $135m with a further $20m in advanced stages of negotiations

Successfully converting opportunities to contract wins

Continuing to experience high level of tendering activity

Order book excludes work under recurring framework agreements

Order book and near term targets



Market conditions

Continuing to see clients become more commercially focussed

Increased competition for pool of available work

Contractors under margin pressure

Large scale projects are being replaced by smaller expansion and sustaining capital projects

Shift from EPCM model to Design and Construct or EPC

SCEE evaluating potential alliances to provide clients with a more integrated service offering

Return to selected overseas opportunities

We continue to see opportunity in the market

Full year expectations

FY14 forecasts impacted by delays in anticipated award and commencement of contracts and reduction in gross margins

Forecast FY14 revenue in the range of $235-255m

Forecast FY14 NPAT in the range of $7-10m

Achievement dependent on award and execution of work in line with existing forecast schedules

Sector outlook

Iron ore

- Remains a core business for SCEE
- Framework agreements with Rio Tinto and BHP
- Tendering for significant work at Sino and Roy Hill
- Targeting sustaining capital works as a growth area

Minerals and metals

- Viewed as a spot market
- Domestic market slow
- Resumed selective tendering on targeted overseas projects

Coal

- Market remains deflated but expected to ultimately return
- Positioned for future work having executed Lake Vermont
- Power distribution opportunities becoming more visible

Sector outlook

LNG

- KSJV formed with Kentech in December 2012
- Demonstrated capability with first award at Australia Pacific LNG on Curtis Island, QLD
- Large volume of work to be performed on Australian LNG projects will require additional capacity
- Optimistic LNG will become a key revenue contributor in the near term
- Major brownfield opportunities will become a feature of the market

CSG

- CSG element to East Coast LNG projects
- Revenue stream for duration of plant life of 25+ years
- Positioning for Phase Two awards

Power Generation

- Completion of works previously awarded to Forge
- Growth of new gas fired power plants in WA and QLD

Recurring revenues

Growth of recurring revenues fundamental to long term strategy

Making good progress in growth of recurring iron ore work with framework agreements in place with Rio Tinto and BHP Billiton

Targeting operations & maintenance and sustaining capital opportunities

Potential LNG and CSG workflow over long-term

Looking to increase revenues considerably over three to five years through organic growth and acquisition opportunities (targeting > $100m p.a. by FY16)

Solid operational and financial platform

Proven operational processes and systems which successfully delivered CLB Phase A and Tropicana Gold on time and on budget

Over $30m invested in systems and fixed assets since FY12

Expansion and renewal of plant and equipment fleet provides financial benefit from reduction in hired equipment

Implementation of ERP and SCEEtrak suite of project controls in H1 14 will help drive efficiency improvements to counter margin pressure

Strong balance sheet and cash reserves

Capacity to capitalise on growth opportunities that arise

Health and safety

Lost Time Incident free in the period

Over nine years LTI free in Australia

Reflective of the emphasis placed on safety from the Board through to our project teams

We place a priority on creating a proactive safety culture across the whole of SCEE

Mick Garstone awarded the “Best Individual Contribution To Safety & Health Award” by Worksafe WA for his role on the Rio Tinto Yandi Sustaining project

Training and people

Dedicated training centre provides cost effective and flexible training schedules to ensure efficient mobilisation of project teams

Recruitment handled by in-house capability

Strong commitment to indigenous participation

Award winning apprenticeship program

SCEE apprentices won the 2013 WA NECA Excellence and Apprentices Awards in the 1^{st}, 2^{nd} and 4^{th} year categories.

Conclusion

Solid H1 financial result in increasingly challenging market conditions

Successfully completed and closed out key projects on time and on budget

FY14 forecasts impacted by delays in anticipated award and commencement of contracts and reduction in gross margins

Pipeline of opportunities remains but will require flexible contracting approach including increased focus on alliance partners

Operations and maintenance and sustaining capital key to building recurring revenues

Strong financial position and proven processes and systems provide platform to capitalise on growth opportunities

Non-IFRS financial information

SCEE's results are reported under International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board. The Company discloses certain non-IFRS measures that are not prepared in accordance with IFRS and therefore considered non-IFRS financial measures. The non-IFRS measure should only be considered in addition to, and not as a substitute for, other measures of financial performance prepared in accordance with IFRS.

EBIT and EBITDA are a non-IFRS earnings measure which do not have any standard meaning prescribed by IFRS and therefore may not be comparable to EBIT and EBITDA presented by other companies. EBIT represents earnings before interest and income tax. EBITDA represents earnings before interest, income tax, depreciation and amortisation.

EBIT and EBITDA Reconciliations:

	H1 12 $m	H2 12 $m	H1 13 $m	H2 13 $m	H1 14 $m
Profit before tax	7.6	12.1	7.1	17.9	8.7
Finance expense	0.4	0.4	0.4	0.8	0.6
Finance income	(0.7)	(0.4)	(0.3)	(0.6)	(0.5)
EBIT	7.3	12.1	7.2	18.1	8.8
Depreciation	0.9	1.7	2.2	3.5	3.4
Amortisation	0.1	0.1	0.1	0.1	0.1
EBITDA	8.3	13.9	9.5	21.7	12.3

Disclaimer

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Important factors that could cause actual results to differ materially from the expectations expressed or implied in the forward-looking statements include known and unknown risks. Because actual results could differ materially from Southern Cross Electrical Engineering Limited’s current intentions, plans, expectations, assumptions and beliefs about the future, you are urged to view all forward-looking statements contained herein with caution.