

Appendix 4D

Half-Year Report

Name of entity

Ausenco Limited

ABN or equivalent company reference

31 114 541 114

Current reporting period

Half year ended

30 June 2011

Previous corresponding period

30 June 2010

Results for announcement to the market

Extracts from this report for announcement to the market.

\$A'000

				Current period
Revenues from ordinary activities	Increased	17.1%	To	257,230
Profit from ordinary activities after tax attributable to members	Increased	N/A	To	7,705
Net profit for the period attributable to members	Increased	N/A	To	7,705

Dividends (distributions)	Amount per security	Franked amount per security at 30% tax
Interim dividend declared subsequent to 30 June 2011	3.1 cents	3.1 cents
Previous corresponding period – interim dividend paid in respect of the half-year ended 30 June 2010	Nil	Nil
Date the interim dividend is payable	21 September 2011	
Record date for determining entitlements to the interim dividend	7 September 2011	

Dividend reinvestment plan

The DRP is available for the dividend being paid on 21 September 2011. Shares issued through the DRP are fully paid and rank equally with existing fully paid ordinary shares.

NTA backing	Current period	Previous corresponding period

ATTACHMENT 2

Appendix 4D
Half-year report

Net tangible asset backing per ordinary security	\$0.49	\$0.50
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The Group did not gain or lose control of any entities during the reporting period.

Ausenco Limited

ABN 31 114 541 114

Interim financial report for the half-year ended 30 June 2011

Ausenco Limited ABN 31 114 541 114
Interim financial report - 30 June 2011

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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 2010 and any public announcements made by Ausenco Limited during the interim reporting period in accordance with 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 2011.

Directors

Directors were in office for this entire half-year unless otherwise stated. The names of the Directors of Ausenco Limited in office during the half-year and until the date of this report are as follows:

Wayne Goss
Zimi Meka
George Lloyd
Greg Moynihan
Mary Shafer-Malicki (appointed 1 January 2011)
Bob Thorpe
Hank Tuten

Principal activities

During the period the principal continuing activities of the Group consisted of the provision of engineering design, project management, process controls and operations solutions to the following sectors:

- Energy
- Environment & Sustainability
- Minerals & Metals
- Process Infrastructure
- Program Management

Dividends

Dividends paid to members during the financial period were as follows:

	2011 \$'000	2010 \$'000
Final ordinary dividend for the financial year ended 31 December 2009 of 4.5 cents per share paid on 14 April 2010	-	5,493
	<u>-</u>	<u>5,493</u>

Subsequent to the end of the half-year the Directors have recommended the payment of an interim dividend of 3.1 cents per fully paid ordinary share (2010 - 0.0 cents), 100% franked based on tax paid at 30%. The aggregate amount proposed dividend expected to be paid on 21 September 2011 out of retained profits at 30 June 2011, but not recognised as a liability at the end of the half-year is \$3,812,598.

Safety

The group's safety performance for the rolling 12 months to 30 June 2011 included a Lost Time Injury Frequency Rate (LTIFR) of 1.03 and a Total Recordable Injury Frequency Rate (TRIFR) of 3.21 per million hours worked. This represents an improvement of total recordable injuries from the number reported as at 31 December 2010.

Review of operations

Services revenue from continuing operations for the year of \$257.2 million was up 18.1% on the revenue of \$217.7 million for the previous corresponding period. Ausenco recorded a net profit before tax for the period of \$9.6 million, an increase of \$38.3 million over the net loss before tax of \$28.7 million achieved in the previous corresponding period. Net profit after tax for the period was \$7.7 million, an increase of \$27.3 million.

The increase in net earnings was underpinned by an increase in project activity across most business lines. Underlying service revenue was up 18.1%, as a result of higher personnel numbers, up 10.0% to 2,750. Four South American office expansions in Belo Horizonte, Lima, Mendoza and Santiago were completed during the period. EBITA was adversely affected by the strengthening Australian dollar over the period and office closure costs. Foreign exchange volatility and the strengthening Australian dollar resulted in foreign exchange transaction losses of \$1.0 million in the period. In addition, the implementation of strategic and cost initiatives from 2010 resulted in office closure costs of \$0.8 million during the period. Ausenco expects to generate annualised cost savings of \$3.0 million per annum from these initiatives going forward through the elimination of fixed office rental overheads.

Basic earnings per share is 6.3 cents, an increase over the 16.2 cents loss achieved last half-year.

The Group's earnings before interest and tax (EBIT) margin was 4.8% compared to negative 12.6% for last half-year and the after tax margin of 3.0% was higher than the previously reported negative 8.9%.

Net operating cash outflow was \$26.1 million, compared to an outflow of \$7.4 million last half-year.

The Group's gross cash position at 30 June 2011 was \$32.1 million. Net debt increased from \$2.8 million as at 31 December 2010 to \$31.9 million as a result of final EPC project supplier payments, increased project activity driving comparatively higher receivables balances and cashflow timing delays associated with personnel growth. The net gearing ratio increased to 11.8% from 1.2% while the EBITDA to total financing costs ratio was 6.2 times (2010: negative 6.9 times).

Business Line Performance

	Segment revenues		Segment EBITA	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Energy	954	53	(561)	(852)
Environment & Sustainability	19,435	23,846	1,025	2,985
Minerals & Metals	140,004	119,265	14,778	10,022
Process Infrastructure	72,590	68,996	7,328	(3,409)
Program Management	19,607	5,495	2,782	304
Corporate	4,577	59	(11,068)	(23,981)
Total	257,167	217,714	14,284	(14,931)

Minerals & Metals

The Minerals & Metals business line operating revenue was up 17.4% to \$140.0 million for the half-year (First half 2010: \$119.3 million). EBITA was up 47.5% to \$14.8 million (First half 2010: \$10.0 million) while the EBITA margin was up to 10.6% (First half 2010: 8.4%). The business line was awarded several projects during the period, including an Innovate phase contract for the Constancia copper project in Peru and Create phase contracts for the Tucano gold project in Brazil, Gibraltar project in Canada and Didipio project in the Philippines. We expect to see continued growth in the Minerals & Metals business line in the foreseeable future driven largely by an increase in Create phase projects throughout the world as commodity prices remain high.

Process Infrastructure

The Process Infrastructure business line achieved a significant turnaround during the period, with revenue up 5.2% to \$72.6 million (First half 2010: \$69.0 million) and posting an EBITA of \$7.3 million (First half 2010 EBITA: loss of \$3.4 million). The management team was strengthened during the period with the appointment of Ed Meka as President. He will be based in Vancouver to develop and strengthen relationships in high growth areas and to further Ausenco Sandwell and Ausenco PSI operations. Major wins for the business line include the Quebrada Blanca Phase 2 project in Chile and Samarco Mineracao S.A. pipeline in Brazil.

Program Management

The Program Management business line operating revenue was up 256.8% to \$19.6 million. EBITA is up \$2.5 million to \$2.8 million. Program Management is building a reputation for excellence in the project delivery of bulk commodities particularly coal and iron ore. During the period, the business continued to win Optimise phase work, including a contract for the Tonkolili Iron ore project in Western Africa and an extension of the Isaac Plains coal contract until June 2012. This work is important to delivering a stable baseline revenue stream for the company.

Environment & Sustainability

Revenue in the period was down 18.5% to \$19.4 million (First half 2010: \$23.8 million), falling short of the record earnings and activity achieved during 2010. The business was impacted by generally lower levels of activity in the United States and delays in Peru due to Presidential elections. In line with reduced operating revenues, the business achieved an underlying EBITA of \$1.0 million (First half 2010: \$3.0 million).

Energy

The global Energy market continues to be a strategically important market sector for the Group providing diversity in earnings and longer term growth opportunities. During the first half of the year the business line has been awarded numerous studies in underground coal gasification, coal seam gas and turbine generator development and continues to actively market strategic alliances.

Corporate

The Corporate and Regional Services business line EBITA was a loss of \$11.1 million for the half-year, down from a loss of \$24.0 million from the prior half-year.

Matters subsequent to the end of the balance sheet date

Other than matters mentioned in this report, no matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (a) Ausenco's operations in future financial years
- (b) the results of those operations in future financial years, or
- (c) Ausenco's state of affairs in future financial years.

Rounding of amounts

The Ausenco group of companies are of a kind referred to in Class Order 98/0100, 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.

Auditor's independence declaration

A copy of the Auditors Independence Declaration as required under section 307C of the *Corporations Act 2001* is set out on page 5.

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



W K Goss
Director



L H Meka
Director

Brisbane
23 August 2011



Auditor's Independence Declaration

As lead auditor for the review of Ausenco Limited for the half year ended 30 June 2011, 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.

A handwritten signature in blue ink, appearing to read 'S Neill', is written over a faint dotted line.

Simon Neill
Partner
PricewaterhouseCoopers

Brisbane
23 August 2011

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Ausenco Limited
Consolidated Statement of Comprehensive Income
For the half-year ended 30 June 2011

	Notes	Half-year ended 30 June 2011 \$'000	Half-year ended 30 June 2010 \$'000
Revenue from continuing operations	2	257,230	219,568
Staff and contractors costs		(157,702)	(133,238)
Reimbursable expenses		(45,298)	(53,904)
Office and administration costs		(34,985)	(41,663)
Other expenses		(2,462)	(2,192)
Depreciation and amortisation expense	3	(4,453)	(5,979)
Impairment of goodwill		-	(8,200)
Finance expenses	3	(2,705)	(3,113)
Profit / (loss) before income tax		9,625	(28,721)
Income tax benefit / (expense)	4	(1,920)	9,133
Profit / (loss) for the half-year		7,705	(19,588)
Other comprehensive income			
Changes in the fair value of cash flow hedges		456	1,036
Exchange differences on translation of foreign operations		(1,225)	3,203
Net investment hedge		(4,187)	611
Other comprehensive income for the half-year, net of tax		(4,956)	4,850
Total comprehensive income / (loss) for the half-year		2,749	(14,738)
Profit / (loss) is attributable to:			
Owners of Ausenco Limited		7,705	(19,588)
		<u>7,705</u>	<u>(19,588)</u>
Total comprehensive income / (loss) for the half-year is attributable to:			
Owners of Ausenco Limited		2,749	(14,738)
		<u>2,749</u>	<u>(14,738)</u>
		Cents	Cents
Earnings per share for profit / (loss) attributable to the ordinary equity holders of the company:			
Basic earnings per share		6.3	(16.2)
Diluted earnings per share		6.3	(16.2)

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 2011

	Notes	30 June 2011 \$'000	31 December 2010 \$'000
ASSETS			
Current assets			
Cash and cash equivalents	5	32,137	63,594
Trade and other receivables	6	82,342	48,208
Unbilled revenue		48,957	43,740
Current tax receivables		1,508	2,239
Other current assets		4,471	7,337
Assets classified as held for sale		<u>2,510</u>	<u>2,617</u>
Total current assets		<u>171,925</u>	<u>167,735</u>
Non-current assets			
Receivables		3,187	-
Available-for-sale financial assets		56	78
Property, plant and equipment		26,748	25,805
Deferred tax assets		36,234	31,748
Intangible assets	7	<u>177,104</u>	<u>180,950</u>
Total non-current assets		<u>243,329</u>	<u>238,581</u>
Total assets		<u>415,254</u>	<u>406,316</u>
LIABILITIES			
Current liabilities			
Trade and other payables		72,708	80,427
Billings in advance		11,908	1,241
Borrowings	8	39,898	19,451
Current tax liabilities		4,182	314
Provisions		1,357	2,408
Other current liabilities		<u>2,363</u>	<u>2,357</u>
Total current liabilities		<u>132,416</u>	<u>106,198</u>
Non-current liabilities			
Trade and other payables		733	1,342
Borrowings	9	24,194	46,968
Deferred tax liabilities		11,862	9,429
Provisions		2,191	1,788
Derivative financial instruments		-	585
Other non-current liabilities	10	<u>6,163</u>	<u>6,109</u>
Total non-current liabilities		<u>45,143</u>	<u>66,221</u>
Total liabilities		<u>177,559</u>	<u>172,419</u>
Net assets		<u>237,695</u>	<u>233,897</u>
EQUITY			
Contributed equity	11	210,208	209,605
Reserves		(35,215)	(30,705)
Retained earnings		<u>62,702</u>	<u>54,997</u>
Total equity		<u>237,695</u>	<u>233,897</u>

The above statements of financial position should be read in conjunction with the accompanying notes.

Ausenco Limited
Consolidated Statement of Changes in Equity
For the half-year ended 30 June 2011

Consolidated	Contributed equity \$'000	Reserves \$'000	Retained earnings \$'000	Total equity \$'000
Balance at 1 January 2010	<u>206,838</u>	<u>(18,256)</u>	<u>71,142</u>	<u>259,724</u>
Total comprehensive income for the half-year	<u>-</u>	<u>4,850</u>	<u>(19,588)</u>	<u>(14,738)</u>
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	1,987	-	-	1,987
Cost of issuing capital	415	-	-	415
Dividends provided for or paid	-	-	(5,492)	(5,492)
Employee share options and performance rights	-	(1,026)	-	(1,026)
Employee share plan	-	(1,641)	-	(1,641)
	<u>2,402</u>	<u>(2,667)</u>	<u>(5,492)</u>	<u>(5,757)</u>
Balance at 30 June 2010	<u>209,240</u>	<u>(16,073)</u>	<u>46,062</u>	<u>239,229</u>
Balance at 1 January 2011	<u>209,605</u>	<u>(30,705)</u>	<u>54,997</u>	<u>233,897</u>
Total comprehensive income for the half-year	<u>-</u>	<u>(4,956)</u>	<u>7,705</u>	<u>2,749</u>
Transactions with owners in their capacity as owners:				
Contributions of equity, net of transaction costs	603	-	-	603
Dividends provided for or paid	-	-	-	-
Employee share options and performance rights	-	480	-	480
Employee share plan	-	(34)	-	(34)
	<u>603</u>	<u>446</u>	<u>-</u>	<u>1,049</u>
Balance at 30 June 2011	<u>210,208</u>	<u>(35,215)</u>	<u>62,702</u>	<u>237,695</u>

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

Ausenco Limited
Consolidated Cash Flow Statement
For the half-year ended 30 June 2011

	Half-year ended 30 June 2011	Half-year ended 30 June 2010
Notes	\$'000	\$'000
Cash flows from operating activities		
Receipts from customers (inclusive of Goods & Services Tax)	223,452	196,146
Payments to suppliers and employees (inclusive of Goods & Services Tax)	<u>(247,174)</u>	<u>(199,899)</u>
	(23,722)	(3,753)
Interest received	395	1,172
Borrowing costs paid	(2,592)	(3,108)
Income taxes paid	<u>(154)</u>	<u>(1,701)</u>
Net cash (outflow) from operating activities	<u>(26,073)</u>	<u>(7,390)</u>
Cash flows from investing activities		
Payments for property, plant and equipment	(4,036)	(5,305)
Payments for intangibles	<u>-</u>	<u>(549)</u>
Net cash (outflow) from investing activities	<u>(4,036)</u>	<u>(5,854)</u>
Cash flows from financing activities		
Repayment of borrowings	(7,943)	(5,016)
Proceeds from issues of equity	263	200
Payment for shares by Performance Trust	-	(614)
Dividends paid	<u>-</u>	<u>(4,302)</u>
Net cash (outflow) from financing activities	<u>(7,680)</u>	<u>(9,732)</u>
NET (DECREASE) IN CASH AND CASH EQUIVALENTS		
	(37,789)	(22,976)
Cash and cash equivalents at the beginning of the financial period	58,398	78,745
Effects of exchange rate changes on cash and cash equivalents	<u>(475)</u>	<u>2,000</u>
Cash and cash equivalents at end of the half-year	<u>20,134</u>	<u>57,769</u>

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

1 BASIS OF PREPARATION OF HALF-YEAR REPORT

These general purpose financial statements for the interim half-year reporting period ended 30 June 2011 have been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

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 2010 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 adopted and disclosed in the Group's 2010 financial report for the financial year ended 31 December 2010.

(a) Impact of accounting standards issued but not yet applied by the entity

Certain new accounting standards and interpretations have been published that are not mandatory for 30 June 2011 reporting periods. The Group's assessment of the impact of these new standards and interpretations is set out below.

(i) AASB 9 *Financial Instruments*

AASB 9 Financial Instruments addresses the classification and measurement of financial assets and is not likely to affect the Group's accounting for its financial assets. The standard is not applicable until 1 January 2013 but is available for early adoption. The Group is yet to assess its full impact. However, initial indications are that it will have no effect on the Group's accounting for its available for sale financial assets. AASB 9 permits the recognition of fair value gains and losses in comprehensive income if they relate to equity investments that are not held for trading. The Group does not have material equity investments or available for sale debt investments.

(ii) AASB 1053 *Application of Tiers of Australian Accounting Standards* and AASB 2010-2 *Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements* (effective 1 July 2013).

On 30 June 2010 the AASB officially introduced a revised differential reporting framework in Australia. Under this framework, a two-tier differential reporting regime applies to all entities that prepare general purpose financial statements. Ausenco is listed on the ASX and is therefore not eligible to adopt the new Australian Accounting Standards – Reduced Disclosure Requirements. As a consequence, the two standards will have no impact on the financial statements of the entity.

(b) Comparative information

Where applicable, comparative amounts have been reclassified to align with changes made to current year presentation in order to improve relevance and comparability.

2 REVENUE

	Half-year ended 30 June 2011 \$'000	Half-year ended 30 June 2010 \$'000
From continuing operations		
Services	257,167	217,714
Interest	<u>63</u>	<u>1,854</u>
	<u>257,230</u>	<u>219,568</u>

3 EXPENSES

	Half-year ended 30 June 2011 \$'000	Half-year ended 30 June 2010 \$'000
Profit before income tax includes the following specific expenses:		
Property, plant and equipment depreciation	2,499	3,502
Amortisation of intangible assets (note 7)	<u>1,954</u>	<u>2,477</u>
Total depreciation and amortisation	<u>4,453</u>	<u>5,979</u>
Impairment losses		
Trade receivables	414	460
Recovery of receivables previously impaired	-	(604)
Goodwill	<u>-</u>	<u>8,200</u>
	<u>414</u>	<u>8,056</u>
Finance costs		
Interest and finance charges paid / payable	<u>2,705</u>	<u>3,113</u>
Total finance costs	<u>2,705</u>	<u>3,113</u>
Operating lease rentals	8,946	10,672
Foreign exchange losses (net)	1,012	723

4 INCOME TAX EXPENSE

	Half-year ended 30 June 2011 \$'000	Half-year ended 30 June 2010 \$'000
Numerical reconciliation of income tax benefit to prima facie tax payable		
Profit from continuing operations before income tax expense	<u>9,625</u>	<u>(28,721)</u>
Tax at the Australian tax rate of 30% (2010 - 30%)	<u>2,888</u>	<u>(8,616)</u>
Tax effect of amounts which are not deductible / (taxable) in calculating taxable income:		
Amortisation of intangibles	91	108
Legal and professional expenses	-	22
Entertainment	50	40
International exempt income	(978)	(709)
Unrealised foreign exchange losses related to net investment hedges	(1,363)	972
Current period losses not recognised	606	252
Items of capital nature	7	-
Other	(445)	411
Assessable income not recognised in accounting profit	<u>1,087</u>	<u>-</u>
	<u>1,943</u>	<u>(7,520)</u>
Under / (over) provision from prior years	107	(2,314)
Difference in overseas tax rates	934	794
Previously unrecognised tax losses used to reduce deferred tax expense	<u>(1,064)</u>	<u>(93)</u>
Total income tax expense / (benefit)	<u>1,920</u>	<u>(9,133)</u>

5 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	As at 30 June 2011 \$'000	As at 31 December 2010 \$'000
Cash at bank and in hand	27,568	46,430
Cash deposits at call	<u>4,569</u>	<u>17,164</u>
	<u>32,137</u>	<u>63,594</u>

Reconciliation to cash at the end of the half-year

The above figures are reconciled to cash at the end of the financial half-year as shown in the statement of cash flows as follows:

	As at 30 June 2011 \$'000	As at 30 June 2010 \$'000
Balance at the end of the half-year	32,137	70,746
Bank overdrafts	<u>(12,003)</u>	<u>(12,977)</u>
Balance per statement of cash flows	<u>20,134</u>	<u>57,769</u>

6 CURRENT ASSETS - TRADE AND OTHER RECEIVABLES

	As at 30 June 2011 \$'000	As at 31 December 2010 \$'000
Trade debtors	74,803	45,406
Less: Provision for impairment of receivables	<u>(1,703)</u>	<u>(1,807)</u>
	<u>73,100</u>	<u>43,599</u>
GST/VAT receivables	1,530	1,649
Debtor retentions	2,038	363
Other receivables	<u>5,674</u>	<u>2,597</u>
	<u>82,342</u>	<u>48,208</u>

7 NON-CURRENT ASSETS - INTANGIBLE ASSETS

Half-year ended 30 June 2011	Goodwill \$'000	Brand names \$'000	Software \$'000	Customer contracts \$'000	Other intangibles \$'000	Total \$'000
Opening net book amount at 1 January 2011	166,076	6,846	5,160	2,863	5	180,950
Transfers within intangibles	-	-	-	-	-	-
Net transfers (to) / from other current and non-current assets	-	-	-	-	-	-
Additions	-	-	-	-	-	-
Impairment charge	-	-	-	-	-	-
Amortisation charge	-	(608)	(928)	(389)	(29)	(1,954)
Effects of movements in exchange rates	<u>(1,821)</u>	<u>(95)</u>	<u>71</u>	<u>(72)</u>	<u>25</u>	<u>(1,892)</u>
Closing net book amount	<u>164,255</u>	<u>6,143</u>	<u>4,303</u>	<u>2,402</u>	<u>1</u>	<u>177,104</u>
At 30 June 2011						
Cost	174,276	10,875	11,940	6,209	771	204,071
Accumulated amortisation and impairment	<u>(10,021)</u>	<u>(4,732)</u>	<u>(7,637)</u>	<u>(3,807)</u>	<u>(770)</u>	<u>(26,967)</u>
Net book amount	<u>164,255</u>	<u>6,143</u>	<u>4,303</u>	<u>2,402</u>	<u>1</u>	<u>177,104</u>
Year ended 31 December 2010	Goodwill \$'000	Brand names \$'000	Software \$'000	Customer contracts \$'000	Other intangibles \$'000	Total \$'000
Opening net book amount at 1 January 2010	181,272	8,564	5,415	3,210	109	198,570
Transfers within intangibles	(501)	115	-	386	-	-
Net transfers (to) / from other current and non-current assets	-	-	1,318	-	-	1,318
Additions	551	-	1,192	-	-	1,743
Impairment charge	(8,200)	-	-	-	-	(8,200)
Amortisation charge	-	(1,432)	(2,765)	(540)	(102)	(4,839)
Effects of movements in exchange rates	<u>(7,046)</u>	<u>(401)</u>	<u>-</u>	<u>(193)</u>	<u>(2)</u>	<u>(7,642)</u>
Closing net book amount	<u>166,076</u>	<u>6,846</u>	<u>5,160</u>	<u>2,863</u>	<u>5</u>	<u>180,950</u>
At 31 December 2010						
Cost	174,276	10,875	11,940	6,209	771	204,071
Accumulated amortisation and impairment	<u>(8,200)</u>	<u>(4,029)</u>	<u>(6,780)</u>	<u>(3,346)</u>	<u>(766)</u>	<u>(23,121)</u>
Net book amount	<u>166,076</u>	<u>6,846</u>	<u>5,160</u>	<u>2,863</u>	<u>5</u>	<u>180,950</u>

8 CURRENT LIABILITIES - BORROWINGS

	As at 30 June 2011 \$'000	As at 31 December 2010 \$'000
Composition of borrowings		
<i>SECURED</i>		
Bank loans and overdrafts	38,426	15,591
Finance lease liabilities	<u>54</u>	<u>-</u>
Total secured current borrowings	<u>38,480</u>	<u>15,591</u>
<i>UNSECURED</i>		
Other loans	<u>1,418</u>	<u>3,860</u>
Total unsecured current borrowings	<u>1,418</u>	<u>3,860</u>
	<u>39,898</u>	<u>19,451</u>

9 NON-CURRENT LIABILITIES - BORROWINGS

	As at 30 June 2011 \$'000	As at 31 December 2010 \$'000
(a) Composition of borrowings		
<i>SECURED</i>		
Bank loans	23,976	46,001
Finance lease liabilities	<u>46</u>	<u>424</u>
Total secured non-current borrowings	<u>24,022</u>	<u>46,425</u>
<i>UNSECURED</i>		
Other loans	<u>172</u>	<u>543</u>
Total unsecured non-current borrowings	<u>172</u>	<u>543</u>
	<u>24,194</u>	<u>46,968</u>

(b) Assets pledged as security

The ANZ facilities are secured by fixed and floating charges over the assets of the Group and various subsidiaries.

10 NON-CURRENT LIABILITIES - OTHER NON-CURRENT LIABILITIES

	As at 30 June 2011 \$'000	As at 31 December 2010 \$'000
Lease incentives	5,648	5,241
Onerous leases and make-good	<u>515</u>	<u>868</u>
	<u>6,163</u>	<u>6,109</u>

11 CONTRIBUTED EQUITY

	As at 30 June 2011 \$'000	At as 31 December 2010 \$'000
(a) Share capital		
Balance at 1 January	209,605	206,838
Dividend reinvestment plan	-	1,162
Share options exercised	264	200
Transaction costs	-	415
Transfer of treasury shares	339	990
	<u>210,208</u>	<u>209,605</u>
	As at 30 June 2011 Shares	As at 31 December 2010 Shares
(b) Movements in ordinary shares		
Balance at 1 January	122,427,576	121,861,958
Shares issued	-	272,032
Exercise of options	263,305	199,999
Exercise of performance rights	296,141	93,587
	<u>122,987,022</u>	<u>122,427,576</u>

12 DIVIDENDS

	Half-year ended 30 June 2011 \$'000	Half-year ended 30 June 2010 \$'000
(a) Ordinary shares		
Final ordinary dividend for the financial year ended 31 December 2009 of 4.5 cents per share paid on 14 April 2010	-	5,493
(b) Dividends not recognised at the end of the half-year		
Subsequent to the end of the half-year the Directors have recommended the payment of an interim dividend of 3.1 cents per fully paid ordinary share (2010 - 0.0 cents), 100% franked based on tax paid on 21 September 2011 out of retained profits at 30 June 2011, but not recognised as a liability at the end of the half-year is \$3,812,598.	<u>3,813</u>	<u>-</u>

13 CONTINGENCIES

(a) Guarantees

The Group is, in the normal course of business, required to provide guarantees and letters of credit on behalf of controlled entities, associates and related parties in respect of their contractual performance related obligations.

Bank guarantees outstanding at the balance date in respect of commitments for expenditure were \$27,607,926 (2010: \$28,213,265).

(b) Litigation

In an action relating to the Lumwana copper project, AB Ventures Limited (ABV), 50% owned by the Group, is in dispute with one of its suppliers, the basis of which is being disclaimed by ABV. The matter has been heard by the courts in Zambia, and a final judgment is due in the next few months. Based on the current process, ABV does not believe any adverse financial impact will result on the resolution of this claim,

One of the Group's wholly owned subsidiary companies has been incorrectly named as a co-defendant in a court action in Ontario, Canada. The claim relates to services that were provided by a company which is not, and has not at any time been, related to Ausenco. Ausenco is vigorously defending the claim.

14 SEGMENT INFORMATION

(a) Description of segments

Management has determined the operating segments based on the reports reviewed by the Chief Executive Officer, Chief Financial Officer and the Chief Operating Officer (collectively Chief Decision Makers) that are used to make strategic decisions.

The Chief Decision Makers consider the business from a services perspective and have identified six reportable segments being Energy, Environment & Sustainability, Minerals & Metals, Process Infrastructure, Program Management and Corporate. Although the Energy segment does not meet the quantitative thresholds required by AASB 8, management has concluded that this segment should be reported, as it is closely monitored by the Chief Decision Makers as a potential growth segment and is expected to materially contribute to Group revenue in the future.

All segments deliver study, engineering, EPCM, project management and operations and maintenance services to the global resources and energy sectors. The Minerals & Metals segment delivers its services through the Minerals & Metals business. The Process Infrastructure segment is a combination of the Ausenco PSI, Ausenco Sandwell and Kramer Ausenco businesses delivering port, pipeline, marine and transport solutions. The Environment & Sustainability segment comprises of the Ausenco Vector business, providing geotechnical and environmental solutions. The Energy segment concentrates on the delivery of projects to the gas, renewable energy and project sectors and consulting and engineering services to the oil and gas industry through the Ausenco Sandwell business. The Program Management segment draws upon the combined program management expertise across the Group, supported by systems and processes and a global procurement network.

14 SEGMENT INFORMATION (continued)

(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 ended 30 June 2011 is as follows:

Half-year 2011	Energy \$'000	Environment & Sustainability \$'000	Minerals & Metals \$'000	Process Infrastructure \$'000	Program Management \$'000	Corporate \$'000	Total \$'000
Total segment revenue	1,250	20,227	142,989	71,583	19,608	4,609	260,266
Inter-segment revenue	(296)	(792)	(2,985)	1,007	(1)	(32)	(3,099)
Revenue from external customers	<u>954</u>	<u>19,435</u>	<u>140,004</u>	<u>72,590</u>	<u>19,607</u>	<u>4,577</u>	<u>257,167</u>
Adjusted EBITA	<u>(561)</u>	<u>1,025</u>	<u>14,778</u>	<u>7,328</u>	<u>2,782</u>	<u>(11,068)</u>	<u>14,284</u>
Half-year 2010							
Total segment revenue	53	24,134	129,111	73,413	5,690	59	232,460
Inter-segment revenue	-	(288)	(9,846)	(4,417)	(195)	-	(14,746)
Revenue from external customers	<u>53</u>	<u>23,846</u>	<u>119,265</u>	<u>68,996</u>	<u>5,495</u>	<u>59</u>	<u>217,714</u>
Adjusted EBITA	<u>(852)</u>	<u>2,985</u>	<u>10,022</u>	<u>(3,409)</u>	<u>304</u>	<u>(23,981)</u>	<u>(14,931)</u>
Total segment assets							
30 June 2011	362	9,942	55,811	40,711	6,433	-	113,259
31 December 2010	<u>359</u>	<u>13,380</u>	<u>27,034</u>	<u>49,927</u>	<u>1,248</u>	-	<u>91,948</u>

Segment EBITA

The Chief Decision Makers assess the performance of the operating segments based on a measure of segment EBITA before impairment and acquisition adjustments.

A reconciliation of adjusted EBITA before impairment and acquisition adjustments to operating profit / (loss) before income tax is provided as follows:

	Half-year ended 30 June 2011 \$'000	Half-year ended 30 June 2010 \$'000
Reportable Segment EBITA before impairment and acquisition adjustments	14,284	(14,931)
Amortisation - intangibles	(1,954)	(2,477)
Finance costs	(2,705)	(3,113)
Impairment of Goodwill	-	(8,200)
Profit / (loss) before income tax from continuing operations	<u>9,625</u>	<u>(28,721)</u>

Segment assets

The amounts provided to the Chief Decision Makers with respect to total assets are measured in a manner consistent with that of the financial statements. These assets are allocated based on the operations of the segment and the physical location of the asset.

15 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Other than matters mentioned in this report, no matter or circumstance has arisen since 30 June 2011 that has significantly affected, or may significantly affect:

- (a) Ausenco's operations in future financial years;
- (b) the results of these operations in future financial years; or
- (c) Ausenco's state of affairs in future financial years.

DIRECTORS' DECLARATION

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 6 to 18 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 2011 and of its performance for the half-year ended 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.

Note 1(a) confirms that the financial statements also comply with International Financial Reporting Standards as issued by the International Accounting Standards Board.

This declaration is made in accordance with a resolution of the Directors. *Corporations Act 2001*.



W K Goss
Director



L H Meka
Director

Brisbane
23 August 2011



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, which comprises the balance sheet as at 30 June 2011, and the income statement, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for the Ausenco Limited (the consolidated entity). The consolidated entity comprises both Ausenco Limited (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 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 Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim 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 2011 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. It also includes reading the other information included with the financial report to determine whether it contains any material inconsistencies with the financial report. 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.

While we considered the effectiveness of management's internal controls over financial reporting when determining the nature and extent of our procedures, our review was not designed to provide assurance on internal controls.

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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 2011 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A handwritten signature in blue ink, appearing to read 'S P Neill', written over the text of item (b) in the list above.

PricewaterhouseCoopers

A handwritten signature in blue ink, appearing to read 'S P Neill', written over the text 'PricewaterhouseCoopers'.

S P Neill
Partner

Brisbane
23 August 2011