



ASX/Media Release

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Ausenco announces record interim profit

Business Highlights

- Record results for revenue, profit, earnings per share, and order book
- Stronger growth leading to revised full year 2006 revenue and earnings guidance
- Fully franked interim dividend 2.5 cents per share - payable 25 October 2006
- 600 personnel at 30 June 2006 - 114% growth since 30 June 2005

Six months ended 30 June	2006 A\$'M	2005 A\$'M	Increase
Operating revenue	59.7	32.3	85%
Net profit before tax	5.9	2.8	108%
Attributable profit after tax	4.4	2.1	107%
Basic earnings per share (cents)	6.1	3.0	103%
Dividends per share (cents)	2.5	-	

Diversified minerals process engineering and project management services provider Ausenco Limited (ASX:AAX) today announced a \$4.4m attributable profit after tax for the half year ended 30 June 2006, a 107% rise over the previous corresponding period.

The interim result was achieved on operating revenue of \$59.7m, an increase of 85% over the previous corresponding period. Net profit before tax for the half year was \$5.9m, an increase of 108% over the \$2.8m achieved in the half year ended 30 June 2005.

Ausenco's EBIT margin increased to 9.9% compared to 8.7% for the previous corresponding period. The after tax profit margin of 7.4% was an improvement over the previous corresponding period's 6.6%. The effective tax rate was similar to the previous corresponding period.

Basic earnings per share were 6.1 cents, an increase of 103% over the 3.0 cents per share in the previous corresponding period.

Ausenco is expecting that continued strong operating conditions will result in significantly increased revenue and earnings for the full year to 31 December 2006 over the May 2006 prospectus forecast. Revenue is expected to be in the range from \$127 million to \$137 million. Revised earnings guidance is for an attributable profit after tax in the range from \$10 million to \$11 million, an increase in the range from 35% to 47.5% over the earnings forecast which was disclosed in the prospectus.

The expected improvement in earnings is a consequence of a stronger than anticipated order book, increased personnel numbers to meet project requirements and improved margin contributions from all businesses.

Ausenco Managing Director, Mr Zimi Meka said: "This is a good outcome reflecting the increasing recognition of Ausenco as a provider of high quality engineering services to the global resources industry as well as the commitment and expertise of Ausenco's people."

"Ausenco has executed a number of contracts for projects in recent weeks taking our secured order book to record levels. We are pleased to be able to undertake these projects for new clients who have recognised our Asian regional expertise and our effective diversification into servicing the mineral sands industry."

Ausenco has also commenced its first project in the Americas, with the award of the Dolores gold and silver project in Mexico, and is continuing to make satisfactory progress on the scope, cost estimation, front end engineering and design work for the Lumwana copper project in Zambia.

Safety Performance

Ausenco currently has 600 personnel at offices or sites in twelve countries.

Ausenco's safety performance for the 12 months to 30 June 2006 was a total Lost Time Injury Frequency Rate (LTIFR) of 1.96. Ausenco and contract personnel worked 2.6 million hours in this period.

Commenting on Ausenco's safety performance Mr Meka said, "We will continue to strengthen our focus on health and safety initiatives as illustrated with the recent appointment of the group's health and safety manager. While our recent injury frequency rate has been above historical trends, we remain cognisant of the need to maintain our focus. We have consolidated a number of existing programs and initiated a number of new steps to ensure that safety remains the highest priority for all our personnel."

Finance

Ausenco maintains a strong working capital position and an ungeared balance sheet.

Cash at 30 June 2006 was \$10.2 million. Ausenco has no debt and as part of its working capital and bonding facilities of \$35.4 million has undrawn capacity available for projects which are being negotiated or are in our pipeline.

Operating cash outflow for the period was \$4.4 million, compared to a net inflow of \$0.6 million in 2005. The company's rapid growth in the scale and number of projects has resulted in a higher than anticipated level of receivables impacting on the levels of available cash and operating cashflow. Ausenco is focused on improving its net operating cash flow position going forward.

Dividends

It is the intention of the Directors to make regular, half yearly dividend payments to shareholders subject to available profits, working capital requirements and the level of borrowings.

It is intended that approximately 60% of the group's full year net profit after tax will be available for distribution with the balance being retained to fund ongoing growth. Dividends will be franked to the maximum extent possible.

In line with this policy the Directors have declared an interim fully franked dividend of 2.5 cents per share. This represents a 0.3 cent per share increase over the interim dividend forecast in the May prospectus. The dividend will be payable on 25 October 2006 for shareholders on the register as at midnight (Eastern Standard Time) on 11 October 2006.

Business Performance

Ausenco's engineering and project management division continues to deliver strong growth, with earnings up 107% for the period. The operating revenue for the half year was \$57.3m.

Ausenco successfully commissioned the Pooncarie Mineral Sands and Kainantu Gold projects during the half year. The Bendigo Gold Mining Limited (ASX: BDG) project in Victoria achieved its first gold pour in July 2006. The Pooncarie project marked the group's first mineral sands project; it was successfully undertaken for Bemax Resources Limited (ASX: BMX) and completed on schedule and within budget.

The company continued to strengthen its expertise in the mineral processing market in the Asian region with the execution of an EPCM reimbursable contract, with a fee, for the Nui Phao Tungsten project in Vietnam. Preliminary design and engineering work commenced for Pan Australian Resources Limited (ASX: PNA) Phu Kham copper project in Laos; this project is being partly designed by the group's new detail engineering team in Manila. The period also saw an increased effort by the Jinfeng gold project team in China as the project progresses towards completion.

In Africa the company commenced front end engineering and design work on the Grand Côte mineral sands, Sabadola gold and Lumwana copper/gold projects. Ausenco's current program for Lumwana, in a 50/50 joint venture with Bateman Engineering NV, is to carry out sufficient design, engineering and procurement work to be able to finalise the scope and complete a capital cost estimate for construction of the project on an EPC basis. As previously announced, terms for the contract have been agreed subject to the final negotiated price and Ausenco Board approval.

Most recently Ausenco was awarded the Hidden Valley gold project in PNG and the Kwale mineral sands project in Kenya.

Mr Meka said that "the company was particularly pleased with the award of these two projects with one representing new client business and the other the successful conversion of study work previously undertaken by Ausenco."

Commenting on the award of the Dolores project in Mexico, Mr Meka stated that "We are excited about the opportunities that are emerging for Ausenco in the Americas. We identified some time ago the Latin and South American markets as providing a number of opportunities for the company. Now, with the Dolores project and four studies currently underway, we are growing a sustainable business platform in the region and diversifying the geographic coverage of the organisation."

Ascentis, Ausenco's operating and maintenance services division continues to deliver very strong growth, with earnings up 243%. The operating revenue for the half year was \$3.2m.

"The growth in the number of Ascentis' projects underway this year is particularly encouraging. We continue to remain confident that Ascentis, which focuses on the operations and maintenance of processing plants, will provide a very stable platform to underpin the company's longer term earnings. The Ascentis team has rapidly grown to 50 people and, with a number of potential project opportunities being evaluated, Ascentis is expected to become a significant contributor to Ausenco's earnings in the medium term." Mr Meka said.

Outlook

In commenting on the outlook for Ausenco Mr Meka said: "we are continuing to develop and diversify for the long term sustainability of the company."

"Ausenco's reputation as a provider of engineering and project management expertise continues to be reinforced as we strengthen our leading position in the Asian and African mineral processing markets."

“We recognise that the Americas represent a growth opportunity for the company, with project work in Mexico and Argentina providing a solid platform from which to pursue other opportunities.”

“As increasing minerals exploration activity leads to new projects, Ausenco will ensure that it maintains a controlled balance between the number and scale of EPCM and EPC projects. A key element of this growth is the application of Ausenco’s stringent risk management control systems leading to projects offering both geographic and commodity diversity.”

“Based on the current strong market conditions and our expectations for significant international personnel and income growth relative to Australia, we expect continued strong performance for the business in the medium term.”

ENDS

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About Ausenco

Diversified minerals processing engineering and project management services provider Ausenco Limited was established in 1991 and has completed projects with an installed capital value in excess of \$1 billion in 33 countries. Ausenco is currently working on projects with an installed capital value in excess of \$1.6 billion.

Ausenco is internationally recognised for its expertise in the provision of engineering and project management services to the global mining and mineral processing industries. Its clients include the world’s foremost mining organisations including BHP Billiton, Rio Tinto, Oxiana, Barrick Gold, Newmont Mining, Sino Gold, and Kingsgate Consolidated.