



Ausenco Limited

**2012 Annual General Meeting
Brisbane
Thursday, 26 April 2012**

Chairman's address

**Wayne Goss
Chairman
Ausenco Limited**



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CHAIRMAN address

Introduction

Good morning ladies and gentlemen.

It is my great pleasure to welcome you to Ausenco's 2012 AGM today. On behalf of the company, I thank you for your attendance, and for your continued support of Ausenco.

2011 was a highly successful year for your company. We won a record level of new work, delivered significantly improved revenues and margins and grew our personnel numbers to the largest they've ever been. We've entered 2012 with our strongest ever work on hand and have continued to secure new contracts in the first quarter of this year.

Our growth and success is the direct result of our diversification strategy and the previous investments we made in our business. Growing our global footprint, extending our solution offering to span the entire project value chain and diversifying our businesses meant we were best positioned to capitalise on the opportunities in our key markets in 2011.

Our highlights

We achieved a number of significant milestones in 2011. We:

- Delivered a full year net profit of \$26.4 million on the back of revenues of \$547.9 million.
- Won a record number of new projects, including a significant number of Create phase contracts, further establishing our global reputation for the delivery of large-scale, EPCM projects and significantly contributing to our overall growth and strong pipeline.
- Increased our people numbers significantly across the business and throughout the world. We now have more than 3,180 personnel globally – the largest number in our history. Our people are a key driver for our continued revenue growth and are delivering ingenious work on more than 600 projects worldwide.
- Expanded our global footprint, increasing our work on hand in Australia and the Americas, as well as breaking into new growth markets in the Middle East, North Africa and Central Asia.
- Increased our early phase Evaluate and Innovate project pipeline which remains at record levels and provides an important early introduction to projects and client teams. Most of our new contracts in 2011 came from projects we had previously worked on, demonstrating our success in growing our role on projects following the completion of early phase works.
- Increased our collaborative efforts throughout the company to target and win new work across the full project value chain and increase our role on existing projects. We now have several projects involving almost all of our businesses.
- Strengthened our client relationships and diversified our client base, with approximately 75% of our work now sourced from globally diversified and major clients.

Our people and safety performance

Our business is our people – the exceptional talent of our employees has earned our company its reputation as a market leader and we are committed to investing in our people to give them every opportunity to develop, lead and grow.

Our workforce is now relatively evenly distributed across our Australian, North American and South American operations – allowing us to seamlessly service clients in these regions, as well as deploy experienced teams from across the globe to deliver projects in remote and challenging locations.

The tight employment market we are operating in presents unique challenges for employee retention and for recruitment. We maintained a strong focus on retaining our talented team members in 2011 through increased employee engagement and continued investment in employee development and training initiatives. As part of this strategy, we also offered all permanent employees the opportunity to participate in our Employee Share Acquisition Plan to enable them to share in the financial benefit of our success.

The safety of our people is always our number one priority and we moved closer towards our goal of zero harm in 2011. We improved our Lost Time Injury Frequency Rate (LTIFR) from 2010 levels, despite working significantly more man hours across the group as a result of increased project activity.

We also continued to roll out best-practice safety programs across all of our global operations. These initiatives delivered an improvement in reporting of near hits - demonstrating that our people are more confident in reporting safety incidents and managing them in an open and effective manner. We will continue to focus on our safety performance throughout 2012 and hope to see even further progress in this area.

Governance

The Ausenco Board is responsible for the overall governance of the company and ensuring our performance is sustainable and benefits all shareholders equally. Our Corporate Governance Statement can be found on page 42 of the 2011 Annual Report, as well as on our website.

The Board has a strong focus on promoting the many forms of diversity throughout our global organisation and, in 2011, we introduced a Diversity Policy to formalise this commitment. This policy is available on the Ausenco website.

With operations in 19 countries globally, we believe diversity in our organisation contributes to the achievement of our corporate and strategic objectives. We support the employment of local people across all our project locations and encourage gender diversity throughout our global workforce. We will continue to develop our strategy in this area, particularly around the participation of women in our workforce.



Our financial performance

As I outlined in my introduction, we delivered strong financial results in 2011 with record services revenues driving a full year net profit after tax of \$26.4 million, a \$37.1 million turnaround on the 2010 result.

Our significant uplift in services revenue during the year, particularly in the second half, was driven largely by personnel growth and new work across all phases of activity.

As part of that, we more than doubled our Optimise phase recurring revenue work, with these assignments now accounting for approximately 7% of the group's total revenue. We will continue to focus on generating a significantly greater portion of revenue from recurring Optimise phase work in the medium-term.

Our balance sheet remains strong with conservative gearing and we also signed a comprehensive refinancing package during the year to lower the overall cost of borrowings and support current project and future opportunities.

As a result of the company's strong balance sheet and expected growth over the coming years, the Board declared a full year dividend of 12.9 cents per share. This represents 60% of 2011 earnings in line with our policy of paying 50% to 60% of after tax profits as dividends.

Our company is in a strong financial position and we have a solid base for continued growth. We look forward to delivering further returns for our shareholders in the future.

Our strategic investments

In 2011 we realised the benefits of the strategic investments we made over recent years, including acquiring market leading businesses, rebranding, and integrating and streamlining our operations. It was these investments that enabled us to achieve the growth we have experienced throughout 2011.

Our strategic decision to maintain employees during the GFC and continue to invest in development programs ensured we were able to mobilise quickly to resource new projects with the right mix of skills and experience from across the globe when conditions improved. This decision was instrumental to our success in winning and delivering work on a number of new large scale Create phase projects in 2011.

In early 2012 we made our first strategic acquisition in more than 12 months, acquiring a Canadian-based oil sands business to enhance our expertise in this area and provide immediate local access to North America's growing oil sands market.

Our outlook

We entered 2012 with a record level of work on hand across both our delivery and early phase project pipelines. We now have a strong source of revenue that is secured into 2013, as well as numerous opportunities on pre-development projects providing work into 2015 and beyond.

The Americas will continue to drive our growth across all business lines due to the significant investment flagged for this strong resources market. We also expect strong growth in



developing regions where we have a long and successful track record for project delivery, including Africa and the Middle East.

Global demand for bulk commodities remains high with prices still at record levels. We expect our growth will come from the key bulk commodities of gold, copper, coal, and iron ore, which are experiencing strong levels of investment.

We are extremely confident of the fundamentals and prospects of the markets in which we operate and we have the right long term strategy and focus to continue profitable growth throughout the coming year.

Conclusion

2011 demonstrated the strength of our strategy and our ability to deliver on that strategy to achieve strong results. Our focus in 2012 is to build on our success and momentum in 2011 to achieve further growth across all areas of the business.

With our strong global footprint, reputation for delivering ingenious solutions and a talented and growing team, we are, in our opinion, in an excellent position to maximise the unprecedented opportunities in our global markets and continue to grow value for our shareholders.

On behalf of the Board, I would like to recognise and thank our CEO Zimi Meka, Ausenco's management team and our many people across the globe for their dedication and commitment to the business and our stakeholders. I would also like to thank the Directors for their ongoing commitment and invaluable contribution. Lastly, I offer my sincere gratitude to you – our shareholders – for your continued support throughout what has been a challenging past few years, and for your belief in our company and our strategy.

It is an exciting time for Ausenco and I look forward to our journey over the next 12 months and sharing our continued success with you in the future.

Thank you.

I will now ask Ausenco Chief Executive Officer and Managing Director Zimi Meka to deliver his address to you.

ENDS