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ASX Media Release

Ausenco second half earnings growth

Ausenco Limited (ASX: AAX) today confirmed that it had returned to growth in the second half of 2010. Group revenues in the second half of 2010 have been stronger than anticipated. Full year revenues are now anticipated to be in the range of \$480 million to \$520 million with over \$220 million in the early stage Evaluate and Innovate phases of project work.

Second half 2010 net profit after tax (NPAT) is now expected to be between \$7 million and \$10 million. It has been adversely affected by the impact of the strengthening Australian dollar, ongoing delays in anticipated project capital expenditure commitments and rescheduled delivery dates for key projects already underway.

The second half performance is expected to lead to underlying NPAT in 2010 of between \$nil and \$3 million. After adjusting for \$11.5 million in office closure costs and goodwill impairment incurred in the 2010 first half, the company's reported attributable net loss after tax for the 2010 full year is expected to be between \$9 million and \$12 million.

Ausenco CEO Zimi Meka said the company's performance in the second half of 2010 had been significantly better than the first half, with the company winning a number of strategically important projects.

"The first half of 2010 was very challenging, but we've certainly seen an improvement in business sentiment and this has translated into a number of large project wins for Ausenco which will support the company's performance in 2011 and beyond," he said.

"Our second half earnings have, however, been adversely impacted by more than \$3 million due to the strength of the Australian dollar given that more than 60% of our anticipated annual 2010 revenue is generated overseas.

"In addition, later than anticipated project commencement decisions, the rescheduled completion of the Kinsevere copper project to the first quarter of 2011 and the failure of the Prosperity copper project to receive anticipated Canadian government licensing approvals as originally planned, have resulted in lower than previously expected second half earnings.

"Our Evaluate and Innovate phase revenues remain very solid at more than \$220 million annually, with an improvement over the first half in earnings for all business lines. This is providing good base load work in all our offices.

"Momentum in the award of longer duration Create phase revenues is building and more project wins are expected over the next few months. Targeted project wins and a stable currency are expected to assist

EBITDA growth into the first half of 2011 compared with forecast second half 2010 EBITDA of between \$16 million and \$20 million.

“The improved second half 2010 earnings represent a significant turnaround from our first half attributable underlying loss of \$7.5 million and we are building a solid base for growth into 2011 and 2012.

“We have taken additional steps to reduce costs and are still awaiting the outcome of US\$22 billion of submitted project tenders and Evaluate and Innovate phase work that is expected to underpin revenue growth into 2011 and 2012.

“Our balance sheet and liquidity remain strong, and we have low net gearing with significant bonding and funding capacity.

“We are expecting growth into 2011 and beyond as the benefits of our strategic growth initiatives crystallise and global business conditions continue to improve. Our list of prospects continues to be strong, but the ongoing global economic uncertainty is still impacting the timing of clients' decisions to proceed.

“We remain focused on achieving long-term, sustainable growth and have the right strategy, structure and sector focus to achieve this.”

Further information contact:

Zimi Meka
Chief Executive Officer
Ausenco Limited
T: (07) 3169 7000

Craig Allen
Chief Financial Officer
Ausenco Limited
T: (07) 3169 7000

About Ausenco

Ausenco sets high global standards for leading edge engineering and project management services in the resources and energy sectors. We're a growing company with big ambitions that thrives on reaching into new markets. Across 32 offices in 20 countries, our people seek ingenious solutions for our clients in the Energy, Environment & Sustainability, Minerals & Metals, Process Infrastructure and Program Management sectors. We're inspired to make a genuine positive impact on the world around us and in the communities in which we operate.