

2015 FULL YEAR BUSINESS UPDATE

September
2015

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Introductions



- **Chief Executive Officer - *Peter Stokes***
 - Peter Stokes was appointed Chief Executive Officer of Barmenco in February 2013 and has over 25 years of resources and mining services experience
 - Prior to joining Barmenco, Peter served as the Chief Operating Officer at Linfox Pty Ltd, Australia's second largest logistics provider
 - Peter was also previously a Partner in the resources practice of Accenture



- **Chief Financial Officer - *Peter Bryant***
 - Peter Bryant was appointed Chief Financial Officer in April 2013 and has over 25 years of financial and company secretarial experience
 - Prior to joining Barmenco, Peter held leadership roles, including Chief Financial Officer and Company Secretary, at Seven West Media and engineering and development group GRD Limited, both of which were in the ASX 100
 - Peter commenced his career with Ernst & Young

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 - AUMS
 - Proportional Consolidation
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Highlights for FY15

- LTIFR at zero for the year
- TRIFR down 44%
- A\$190m Flying Fox and Spotted Quoll contracts extensions till the end of FY2016
- A\$270m Sunrise Dam contract extension to 2019
- A\$110m MMG's Rosebery project secured
- A\$130m Sirius Resources' Nova nickel project secured
- US\$99m of bonds repurchased in FY15, with an additional US\$25m repurchased July 15
- AUMS back on track

Summary of FY15 Results

(Excluding AUMS)

- Full year EBIT down 11.3%
- Project EBITDA margin of 19.9%
- Full year shared service costs down 6.2% pcp

	Jun-15 YEAR \$M	Jun-14 YEAR \$M
Revenue		
Mining	440.3	491.6
Diamond Drilling	49.3	42.5
Crushing	1.0	1.1
Other	2.3	2.7
Total Revenue	492.9	537.9
Project Costs	394.9	431.1
Project EBITDA		
Mining	90.8	99.1
Diamond Drilling	6.6	6.3
Crushing	0.5	(0.2)
Other	0.1	1.6
Total Project EBITDA	98.0	106.8
Shared Services Costs		
Operational & Admin Services	30.4	32.4
SS Allocation	(29.2)	(37.3)
EBITDA	96.8	111.7
Depreciation	52.3	58.4
Amortisation	1.0	1.0
Trading EBIT	43.6	52.3
Redundancy Costs	1.7	5.2
EBIT	41.8	47.1

Summary of FY15 Results by Quarter

(Excluding AUMS)

- Q4 revenue growth off-set by reduced EBITDA margins at Rosebery and Dugald River
- EBITDA for Q4 consistent with guidance, slightly softer than Q3

	Jun-15	Mar-15	Dec-14	Sep-14
	QTR	QTR	QTR	QTR
	\$M	\$M	\$M	\$M
Revenue				
Mining	117.3	110.6	104.2	108.2
Diamond Drilling	14.0	12.9	11.6	10.8
Crushing	-	-	0.3	0.7
Other	0.5	0.4	0.6	0.8
Total Revenue	131.8	123.9	116.7	120.5
Project Costs	107.1	98.5	93.5	95.8
Project EBITDA				
Mining	23.1	23.5	21.6	22.6
Diamond Drilling	1.6	1.6	1.5	1.9
Crushing	-	0.2	0.1	0.2
Other	-	0.1	-	-
Total Project EBITDA	24.7	25.4	23.2	24.7
Shared Services Costs				
Operational & Admin Services	7.6	7.0	7.6	8.2
SS Allocation	(7.6)	(7.4)	(7.1)	(7.1)
EBITDA	24.7	25.8	22.7	23.6
Depreciation	13.2	13.3	12.5	13.3
Amortisation	0.2	0.3	0.2	0.3
Trading EBIT	11.3	12.2	10.0	10.0
Redundancy Costs	-	-	-	1.7
EBIT	11.3	12.2	10.0	8.3

The Balance Sheet

(Barmenco excluding AUMS)

- Largely unchanged year on year
- Revolving credit facility of \$50m effectively undrawn
- Redeemable preference shares and shareholder loan notes treated as equity

		Jun-15 \$M	Jun-14 \$M
Current Assets	Cash and Cash Equivalents	104.8	95.8
	Trade and Other Receivables	57.5	56.8
	Inventories	25.3	24.2
	Other	5.5	4.8
	Total Current Assets	193.2	181.6
Non-Current Assets	Property, Plant & Equipment	114.5	123.1
	Intangible Assets	259.2	260.2
	Derivatives	10.5	15.4
	Investment in Joint Venture (AUMS)	67.3	67.6
	Other	2.5	9.0
	Total Non-current Assets	454.0	475.3
Total Assets		647.2	656.9
Current Liabilities	Trade, Other Payables & Provisions	54.0	49.1
	HP Liabilities	3.3	9.4
	Employee Benefits and Other	25.5	23.8
	Total Current Liabilities	82.8	82.3
Non-Current Liabilities	HP Liabilities	2.4	4.1
	High Yield Bonds (<i>net of capitalized borrowing costs</i>)	498.1	503.0
	Employee Benefits and Other	2.7	2.2
	Total Non-Current Liabilities	503.2	509.3
Total Liabilities		586.0	591.6
Net Assets		61.2	65.3

Reconciliation to Statutory Balance Sheet (Barminco excluding AUMS)

- Redeemable preference shares and shareholder loan notes treated as debt under IFRS.

	Jun-15 YEAR \$M	Jun-14 YEAR \$M
Net Assets	61.2	65.3
Redeemable preference shares	343.6	301.4
Shareholder loan notes	16.9	14.7
Statutory Net Assets	(299.3)	(250.8)

Cash Flow

(Barmenco excluding AUMS)

- Cash on hand \$104.8m
- Positive cash flow of \$9.0m
- Interest down due to bond repurchase
- AUMS dividends of A\$17.7m received
- AUMS loan account of A\$7.4m repaid
- Positive working capital contribution of \$3.4m

	Jun-15 YEAR	Jun-14 YEAR	Jun-15 QTR	Mar-15 QTR	Dec-14 QTR	Sep-14 QTR
	\$M	\$M	\$M	\$M	\$M	\$M
EBITDA (after redundancies)	95.1	106.5	24.7	25.8	22.7	21.9
Movement in Working Capital	3.4	10.4	(4.6)	(6.0)	2.4	11.6
Subtotal	98.5	116.9	20.1	19.8	25.1	33.5
Capital Expenditure (net of disposals)	(38.9)	(33.6)	(13.7)	(14.4)	(4.4)	(6.4)
Loans from JVs	7.4	-	-	-	7.4	-
Dividends from JVs	17.7	-	17.7	-	-	-
Debt	(10.2)	(27.5)	(1.1)	(1.6)	(1.1)	(6.4)
Interest (net)	(60.2)	(64.7)	(27.7)	(1.5)	(30.7)	(0.3)
Tax	(0.8)	(1.9)	-	(0.1)	(0.7)	-
Other	(4.5)		(2.5)	-	(2.0)	-
Cashflow	9.0	(10.8)	(7.2)	2.2	(6.4)	20.4
Opening Cash	95.8	106.6	112.0	109.8	116.2	95.8
Closing Cash	104.8	95.8	104.8	112.0	109.8	116.2

High Yield Bond Buy Backs

	\$US	Fixed currency rate (SWAP)	\$AUD
Value	\$485M	0.9964 ^c	\$487M
Interest	9%	3.4%	12.4%
Interest paid in AUD per annum			\$60.6M
Buy back \$124M of bonds (face value)		Release \$124M from SWAP	↓
Value	Final debt reduced to \$361M	0.74^c	
Interest	9%	1.9%	
New interest paid in AUD per annum			\$53.0M
Savings per annum			\$7.6M

Capital Expenditure

(Barmenco excluding AUMS)

- Increase on guidance due to advance purchase of two bidders
- 95% of cap-x funded from cash

	Jun-15 YTD \$M	Jun-14 YTD \$M	Jun-15 QTR \$M	Mar-15 QTR \$M	Dec-14 QTR \$M	Sep-14 QTR \$M
Growth	8.7	20.1	4.1	1.1	3.4	0.1
Stay in Business	40.1	32.9	11.3	16.5	3.0	9.3
Total Capital Expenditure	48.8	53.0	15.4	17.6	6.4	9.4

Major Mining Contracts Contributing to FY15 Results (Barrick excluding AUMS)

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE
Sunrise Dam	AngloGold Ashanti	Au	WA	2003	QTR 4–FY19
Flying Fox	Western Areas	Ni	WA	2004	QTR 4 –FY16
Rosebery	MMG	Zn	TAS	2004 *	QTR 3 –FY18
Sukari	Centamin	Au	Egypt	2009	QTR 2 –FY17
Agnew	Gold Fields	Au	WA	2010	QTR4–FY16
Spotted Quoll	Western Areas	Ni	WA	2011	QTR4 –FY16
Dugald River	MMG	Zn	QLD	2012	QTR4 –FY16
Renison	Metals X	Sn	TAS	2013	QTR 3 –FY16
Nova Bollinger	Sirius Resources	Ni	WA	2015	QTR 4 –FY18

* Contract temporarily lost from June 2013 to January 2015

FY15 – Fundamentals are Good

(Barmenco excluding AUMS)

- Strong liquidity
 - i. Average cash holding + \$100M
 - ii. \$50m Revolving Credit Facility effectively undrawn
 - iii. \$50M capacity for equipment finance facilities
- Net working capital under \$10M
- Project EBITDA margin at 19.9%
- Projects performing well

Summary of Results – AUMS

- AUMS is outside the HYB Credit Group
- Exceptional performance in the second half of FY15 underpinned by the Randgold contract in Mali
- Cash on hand A\$40.8m
- External debt of A\$0.5m

	Jun-15 USD \$M	Jun-14 USD \$M
Revenue	190.6	238.3
EBITDA	49.4	41.8
<i>EBITDA Margin</i>	25.9%	17.5%
Depreciation	21.7	35.5
EBIT	27.7	6.3
Interest	(0.1)	2.7
Tax	5.0	1.6
NPAT	22.9	2.0

	Jun-15 \$M	Jun-14 \$M
Barmenco's 50% Share (USD)	11.5	1.0
Currency Impact on Conversion to AUD	1.9	0.4
Elimination Entries and Adjustments (AUD)	1.2	0.5
Equity Accounted Share of Profits (AUD)	14.6	1.9

Summary of Results by Quarter – AUMS

- Work commenced on Roxgold's Yaramoko gold project in Burkina Faso
- Randgold Loulo contract extended to October 2015

	June-15	Mar-15	Dec-14	Sep-14
	QTR	QTR	QTR	QTR
	USD \$M	USD \$M	USD \$M	USD \$M
Revenue	50.5	55.8	45.7	38.6
EBITDA	15.9	17.1	11.3	5.1
<i>EBITDA Margin</i>	31.5%	30.6%	24.7%	13.3%
Depreciation	4.1	5.1	6.2	6.3
EBIT	11.8	12.0	5.1	(1.2)
Interest	(0.5)	-	0.2	0.2
Tax	1.4	3.5	0.3	(0.2)
NPAT	10.9	8.5	4.6	(1.2)

	Jun-15	Mar-15	Dec-14	Sep-14
	QTR	QTR	YTD	YTD
	\$M	\$M	\$M	\$M
Barmenco's 50% Share (USD)	5.5	4.3	2.3	(0.6)
Currency Impact on Conversion to AUD	2.0	0.3	0.7	(0.1)
Elimination Entries and Adjustments (AUD)	0.1	-	0.1	-
Equity Accounted Share of Profits (AUD)	7.6	4.6	3.1	(0.7)

Major Mining Contracts - AUMS



PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE
Loulo Operations – Gara & Yalea mines	Randgold	Au	Mali	2010	2015
Perkoa	Glencore	Zn (Pb & Ag)	Burkina Faso	2012	2016
Yaramoko	Roxgold Inc	Au	Burkina Faso	2015	2018

Proportionately Consolidated P&L

(Barmenco and 50% Share of AUMS)

- New disclosure
- Proportionately consolidated EBITDA down 6.2%
- Proportionately consolidated EBIT up 15.4%
- AUMS converted to A\$ at 0.8369

	Jun-15			Jun-14		
	Barmenco	AUMS 50%	TOTAL	Barmenco	AUMS 50%	TOTAL
	A\$M	A\$M	A\$M	A\$M	A\$M	A\$M
Revenue	492.9	113.9	606.8	537.9	133.2	671.2
Project Costs	396.1	84.4	480.5	426.2	110.4	536.6
EBITDA	96.8	29.5	126.3	111.7	22.8	134.6
Depreciation	52.3	13.0	65.2	58.4	19.3	77.7
Amortisation	1.0	-	1.0	1.0	-	1.0
Trading EBIT	43.6	16.5	60.1	52.3	3.5	55.8
Redundancy Costs	1.7	-	1.7	5.2	-	5.2
EBIT	41.9	16.5	58.4	47.1	3.5	50.6

Business Outlook

- General market overview
 - Australia
 - Africa
 - Other
- Pipeline projects
 - Australia
 - Africa
- What will FY16 look like for Barmenco?

FY16 Pipeline Opportunities

Barminto

Mine	Commodity	Client	Start Date	Location
Venetia Diamond Mine	Di	De Beers (Anglo American)	QTR 2 -FY16	South Africa
Gordon Sirdar	Au	FMR Investments	QTR 2 -FY16	Western Australia
Mt Lyell	Cu	Copper Mines of Tasmania Pty Ltd	QTR 2 -FY16	Tasmania
Leinster Nickel Operations	Ni	BHP Nickel West	QTR 2 -FY16	Western Australia

AUMS

Mine	Commodity	Client	Start Date	Location
Subika	Au	Newmont	QTR 2 – FY17	Ghana
Syama	Au	Resolute	QTR 3 – FY16	Mali
Obuasi	Au	AngloGold	QTR 1 – FY17	Ghana
Geita	Au	AngloGold	QTR 2 – FY16	Tanzania