



FY16 Q3 BUSINESS UPDATE



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INTRODUCTIONS

Peter Stokes

Chief Executive Officer



- 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

Peter Bryant

Chief Financial Officer and Company Secretary



- 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

HIGHLIGHTS

- Effective Management delivers industry leading performance
- Strong Q3 result positions the business to achieve full year target
- Successfully exited Renison contract

SUMMARY OF RESULTS

(EXCLUDING AUMS)

- EBITDA for the nine months ended 31 March 2016 up 9.0% on pcp
- Project EBITDA margin of 20.3%

	Mar-16	Dec-15	Sep-15	Mar-16	Mar-15
	QTR	QTR	QTR	YTD	YTD
	\$M	\$M	\$M	\$M	\$M
Revenue					
Mining	110.3	119.3	117.0	346.6	323.0
Diamond Drilling	12.1	11.5	13.9	37.5	35.3
Crushing	-	0.1	-	0.1	1.0
Other	0.7	0.5	1.2	2.4	1.8
Total Revenue	123.1	131.4	132.1	386.6	361.1
Project Costs	95.9	103.2	108.9	308.0	287.8
Project EBITDA					
Mining	25.3	27.0	21.8	74.1	67.7
Diamond Drilling	1.5	1.3	1.2	4.0	5.0
Crushing	-	-	0.1	0.1	0.5
Other	0.4	(0.1)	0.1	0.4	0.1
Total Project EBITDA	27.2	28.2	23.2	78.6	73.3
Shared Services Costs					
Operational & Admin Services	7.3	7.7	8.5	23.5	22.8
SS Allocation	(7.6)	(8.0)	(8.0)	(23.6)	(21.6)
EBITDA	27.4	28.5	22.7	78.6	72.1
Depreciation	12.2	12.6	12.5	37.3	39.1
Amortisation	0.1	0.1	0.2	0.4	0.8
Trading EBIT	15.1	15.8	10.0	40.9	32.2
Redundancy Costs	0.1	-	1.5	1.6	1.7
EBIT	15.0	15.8	8.5	39.3	30.5

SUMMARY OF RESULTS - AUMS

(BARMINCO 50% SHARE)

- AUMS is outside the HYB Credit Group
- Solid performance continued post the conclusion of Loulo in October 2015
- Geita project performing ahead of initial targets

	Mar-16 QTR A\$M	Dec-15 QTR A\$M	Sep-15 QTR A\$M	Mar-16 YTD A\$M	Mar-15 YTD A\$M
Revenue	13.2	14.3	33.3	60.8	80.9
EBITDA	3.2	4.9	9.8	17.9	19.8
<i>EBITDA Margin</i>	24.2%	34.3%	29.4%	29.5%	24.4%
Depreciation	1.5	1.6	2.6	5.7	10.3
EBIT	1.7	3.3	7.2	12.2	9.5
Net Interest	-	(0.1)	-	(0.1)	0.2
Tax	0.6	1.1	2.3	4.0	2.3
NPAT	1.1	2.3	4.9	8.3	7.0

PROPORTIONATELY CONSOLIDATED P&L (BARMINCO AND 50% SHARE OF AUMS)

- Proportionately consolidated EBITDA up 5.0% PCP
- Proportionately consolidated Trading EBIT up 27.3% PCP

	Mar-16 YTD		
	Barmenco	AUMS 50%	TOTAL
	A\$M	A\$M	A\$M
Revenue	386.6	60.8	447.4
Project Costs	308.0	42.9	350.9
EBITDA	78.6	17.9	96.5
Depreciation	37.3	5.7	43.0
Amortisation	0.4	-	0.4
Trading EBIT	40.9	12.2	53.1
Redundancy Costs	1.6	-	1.6
EBIT	39.3	12.2	51.5

	Mar-15 YTD		
	Barmenco	AUMS 50%	TOTAL
	A\$M	A\$M	A\$M
361.1	80.9	442.0	
289.0	61.1	350.1	
72.1	19.8	91.9	
39.1	10.3	49.4	
0.8	-	0.8	
32.2	9.5	41.7	
1.7	-	1.7	
30.5	9.5	40.0	

BALANCE SHEET

(BARMINCO EXCLUDING AUMS)

- No material changes
- Total reduction in US\$ debt is US\$153m, to US\$332m, fully swapped at 0.74c

		Mar-16 \$M	Jun-15 \$M	Mar-15 \$M
Current Assets	Cash and Cash Equivalents	105.7	104.8	112.0
	Trade and Other Receivables	55.1	57.5	52.9
	Inventories	22.4	25.3	25.6
	Other	3.8	5.5	5.9
	Total Current Assets	187.0	193.2	196.4
Non-Current Assets	Property, Plant & Equipment	112.6	114.5	112.5
	Intangible Assets	258.8	259.2	259.5
	Derivatives	-	10.5	4.6
	Investment in Joint Venture (AUMS)	67.5	67.3	77.9
	Other	2.5	2.5	2.9
	Total Non-current Assets	441.4	454.0	457.4
Total Assets		628.4	647.2	653.8
Current Liabilities	Trade, Other Payables & Provisions	72.6	54.0	71.5
	HP Liabilities	2.6	3.3	3.7
	Employee Benefits and Other	25.0	25.5	23.6
	Total Current Liabilities	100.2	82.8	98.8
Non-Current Liabilities	HP Liabilities	0.6	2.4	3.2
	Derivatives	23.4	-	-
	High Yield Bonds (<i>net of capitalized borrowing costs</i>)	430.1	498.1	495.0
	Employee Benefits and Other	2.3	2.7	2.7
	Total Non-Current Liabilities	456.4	503.2	500.9
Total Liabilities		556.6	586.0	599.7
Net Assets		71.8	61.2	54.1

HIGH YIELD BOND BUY BACK

ORIGINAL POSITION		\$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

SWAP FUNDED	Buy back \$124M of bonds (face value)		Release \$124M from SWAP	
	↓		↓	
	Value	Final debt reduced to \$361M	0.74 ^c	\$487M
	Interest	9%	1.9%	10.9%
	New interest paid in AUD per annum			\$53.0M
	Savings per annum			\$7.6M

CASH FUNDED		\$US	Fixed currency rate (SWAP)	\$AUD
	Reduction in Debt	\$28.7M		
	Value	\$332.3M	0.74 ^c	\$449.0M
	Interest	9%		10.9%
	New interest paid in AUD per annum			\$48.9M
	Savings per annum			\$4.1M

TOTAL INTEREST SAVING IN \$AUD PER ANNUM				\$11.7M
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RECONCILIATION TO STATUTORY BALANCE SHEET

(BARMINCO EXCLUDING AUMS)

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

	Mar-16	Jun-15	Mar-15
	\$M	\$M	\$M
Net Assets	71.8	61.2	54.1
Redeemable preference shares	379.6	343.6	332.9
Shareholder loan notes	18.5	16.9	16.3
Statutory Net Assets	(326.3)	(299.3)	(295.1)

CASH FLOW

(BARMINCO EXCLUDING AUMS)

- Cash on hand \$105.7m
- Cash funded HYB purchases in October and February
- Cash interest including SWAP costs on HYB now \$48.9m down from \$60.6m

	Mar-16 YTD \$M	Mar-15 YTD \$M
EBITDA (after redundancies)	77.0	70.4
Movement in Working Capital	11.0	8.7
Subtotal	88.0	79.1
Capital Expenditure (net of disposals)	(35.5)	(25.2)
Dividends/Loan Receipts from JVs	8.8	6.7
Debt/SWAP	(34.2)	(9.1)
Interest (net)	(25.9)	(32.5)
Tax	(0.1)	(0.8)
Other	(0.2)	(2.0)
Cashflow	0.9	16.2
Opening Cash	104.8	95.8
Closing Cash	105.7	112.0

CAPITAL EXPENDITURE

(BARMINCO EXCLUDING AUMS)

- Consistent with internal targets
- 100% of capex funded via cash during the nine month period ending 31 March 2016

	Mar-16 YTD \$M	Mar-15 YTD \$M
Growth	5.4	4.6
Stay in Business	30.8	28.8
Total Capital Expenditure	36.2	33.4

MAJOR MINING CONTRACTS

(BARMINCO EXCLUDING AUMS)

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE	CONTRACT STATUS
Sunrise Dam	AngloGold Ashanti	Au	WA	2003	QTR 4 – FY19	
Flying Fox	Western Areas	Ni	WA	2004	QTR 4 – FY17	+ 2 Year Option
Spotted Quoll	Western Areas	Ni	WA	2011	QTR 4 – FY17	+ 2 Year Option
Sukari	Centamin	Au	Egypt	2009	QTR 2 – FY17	
Agnew	Gold Fields	Au	WA	2010	QTR4 – FY18	+ 1 Year Option
Dugald River	MMG	Zn	QLD	2012	QTR4 – FY16	Tender – Shortlisted
Rosebery ⁽¹⁾	MMG	Zn	TAS	2004	QTR 3 – FY18	+ 2 Year Option
Nova Bollinger	Sirius Resources/Independence	Ni	WA	2015	QTR 4 – FY18	+ 1 Year Option
Gordon Sirdar	FMR Investments	Au	WA	2016	QTR 3 – FY18	

(1) Contract temporarily lost from June 2013 to January 2015

MAJOR MINING CONTRACTS – AUMS

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	COMMENCEMENT	CONTRACT END DATE
Perkoa	Glencore	Zn (Pb & Ag)	Burkina Faso	2012	2016
Yaramoko	Roxgold Inc	Au	Burkina Faso	2015	2018
Geita	AngloGold Ashanti	Au	Tanzania	2016	2019

PIPELINE OPPORTUNITIES

Barminto

Mine	Commodity	Client	Start Date	Location
Kundana	Au	Northern Star	QTR 1 – FY17	Western Australia
Carrapateena	Cu/Au	Oz Minerals	QTR 1 - FY17	South Australia
Zone 5	Cu	Khoemacau Copper Mining	FY17	Botswana
Golden Grove	Cu/Zn	MMG	FY17	Western Australia
Edna May	Au	Evolution Mining	FY17	Western Australia
Mt Lyell	Cu	Copper Mines of Tasmania Pty Ltd	FY17	Tasmania

AUMS

Mine	Commodity	Client	Start Date	Location
Subika	Au	Newmont	QTR 2 - FY17	Ghana
Obuasi	Au	AngloGold Ashanti	QTR 1 – FY17	Ghana

BUSINESS OUTLOOK

- General market overview
 - Australia
 - Africa
 - Other