

BUSINESS UPDATE

December
2014
Half Year

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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

Highlights

- Sirius Resources Nova Nickel project secured
- Rosebery project commenced
- Successfully repurchased US \$98.9 million of bonds

Summary of Results – Excluding AUMS

- December 2014 results reflect the conclusion of three contracts :
 - 1) Mt Lyell
 - 2) Ernest Henry
 - 3) Wallaby
- Project EBITDA margin on target at 20.2%
- Shared service costs down 6.0% pcp

	Dec-14 HALF YEAR \$M	Dec-13 HALF YEAR \$M
Revenue		
Mining	212.4	260.5
Diamond Drilling	22.4	23.3
Crushing	1.0	0.2
Other	1.4	1.0
Total Revenue	237.2	285.0
Project Costs	189.3	227.1
Project EBITDA		
Mining	44.2	53.9
Diamond Drilling	3.4	3.5
Crushing	0.3	(0.5)
Other	-	1.0
Total Project EBITDA	47.9	57.9
Shared Services Costs		
Operational & Admin Services	15.8	16.8
SS Allocation	(14.2)	(18.5)
EBITDA	46.3	59.6
Depreciation	25.8	33.1
Amortisation	0.5	0.5
Trading EBIT	20.0	26.0
Redundancy Costs	1.7	4.2
EBIT	18.3	21.8

Summary of Results – AUMS

- AUMS is outside the HYB Credit Group
- Commencing work on Roxgold's Yaramoko gold project in Burkina Faso
- Contribution down primarily due to:
 - Project in Burkina Faso temporarily placed in care and maintenance
 - Conclusion of projects in Ghana
- Cash on hand A\$51.5m
- External debt of A\$5.9m

	Dec-14 HALF YEAR USD \$M	Dec-13 HALF YEAR USD \$M
Revenue	84.3	145.0
EBITDA	16.4	31.4
<i>EBITDA Margin</i>	19.5%	21.7%
Depreciation	12.5	17.2
EBIT	3.9	14.2
Interest	0.4	1.7
Tax	0.1	2.9
NPAT	3.4	9.6

	Dec-14 HALF YEAR \$M	Dec-13 HALF YEAR \$M
Barmenco's 50% Share (USD)	1.7	4.8
Currency Impact on Conversion to AUD	(0.3)	0.5
Elimination Entries and Adjustments (AUD)	0.1	0.4
Equity Accounted Share of Profits (AUD)	1.5	5.7

The Balance Sheet

- Cash on hand of \$109.8m
- No material changes to June Balance Sheet
- Revolving credit facility of \$50m undrawn, however \$0.6m used to facilitate transaction banking and bank guarantees with HSBC
- Net assets down primarily due to accounting treatment of high yield bond cross currency interest rate swap
- Redeemable preference shares and shareholder loan notes treated as equity.

		Dec-14 \$M	Jun-14 \$M	Dec-13 \$M
Current Assets	Cash and Cash Equivalents	109.8	95.8	121.2
	Trade and Other Receivables	41.8	56.8	57.9
	Inventories	24.6	24.2	23.9
	Other	5.0	4.8	3.6
	Total Current Assets	181.2	181.6	206.6
Non-Current Assets	Property, Plant & Equipment	110.8	123.1	127.9
	Intangible Assets	259.7	260.2	260.8
	Derivatives	53.7	15.4	61.7
	Investment in Joint Venture (AUMS)	71.4	67.6	76.2
	Other	3.3	9.0	10.1
	Total Non-current Assets	498.9	475.3	536.7
Total Assets		680.1	656.9	743.3
Current Liabilities	Trade, Other Payables & Provisions	51.9	49.1	68.6
	HP Liabilities	4.3	9.4	16.4
	Employee Benefits and Other	22.3	23.8	23.7
	Total Current Liabilities	78.5	82.3	108.7
Non-Current Liabilities	HP Liabilities	4.0	4.1	2.9
	High Yield Bonds (<i>net of capitalized borrowing costs</i>)	543.9	503.0	532.4
	Other	2.3	2.2	2.8
	Total Non-Current Liabilities	550.2	509.3	538.1
Total Liabilities		628.7	591.6	646.8
Net Assets		51.4	65.3	96.5

Reconciliation to Statutory Balance Sheet

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

	Dec-14	Jun-14	Dec-13
	\$M	\$M	\$M
Net Assets	51.4	65.3	96.5
Redeemable preference shares	322.3	301.4	282.7
Shareholder loan notes	15.8	14.7	13.8
Statutory Net Assets	(286.7)	(250.8)	(200.0)

Cash Flow

- Cash on hand \$109.8m
- Working capital position remains well below \$10m target

	Dec-14 HALF YEAR	Dec-13 HALF YEAR
	\$M	\$M
EBITDA (after redundancies)	44.6	55.5
Movement in Working Capital	14.7	28.7
Subtotal	59.3	84.2
Capital Expenditure (net of disposals)	(10.8)	(20.4)
Loans from JVs	6.7	-
Debt	(7.5)	(14.7)
Interest (net)	(31.0)	(33.9)
Tax	(0.7)	(0.6)
Other	(2.0)	-
Cash Flow	14.0	14.6
Opening Cash	95.8	106.6
Closing Cash	109.8	121.2

Capital Expenditure

- Full year cap-x will be below initial expectations.

	Dec-14 HALF YEAR \$M	Dec-13 HALF YEAR \$M
Growth	3.5	19.0
Stay in Business	12.3	11.4
Total Capital Expenditure	15.8	30.4
Acquired via HP or Finance Leases	2.3	6.6
Capital Expenditure (Funded From Cash)	13.5	23.8

Major Mining Contracts

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	CONTRACT END DATE	CONTRACT STATUS
Sunrise Dam	Anglo Gold Ashanti	Au	WA	2016	+ 3 Year Option
Flying Fox	Western Areas	Ni	WA	2016	+ 2 Year Option
Spotted Quoll	Western Areas	Ni	WA	2016	+ 2 Year Option
Sukari	Centamin	Au	Egypt	2016	
Agnew	Goldfields	Au	WA	2016	
Dugald River	MMG	Zn	QLD	2014	Discussions underway re contract extension
Renison	Metals X	Sn	TAS	2017	+ 1 Year Option
Rosebery	MMG	Zn	TAS	2017	+ 2 Year Option
Nova Bollinger	Sirius Resources	Ni	WA	2017	+ 1 Year Option

Pipeline Opportunities

Mine	Commodity	Client	Start Date	Location
Ranger 3 Deeps	U	Energy Resources of Australia	July 2015	Northern Territory
Copper Chert / Prince Lyell	Cu	Copper Mines of Tasmania Pty Ltd	July 2015	Tasmania
Wolverine	HREE	Northern Minerals NL	October 2015	Western Australia
Central Murchison	Au	Metals X	April 2015	Western Australia

Business Outlook

- General market overview
- Focus on delivering FY15 target