



2015 Q3 BUSINESS UPDATE

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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

- Sunrise Dam contract extended to 2019
- Sirius Resources Nova Nickel project development work commenced
- Rosebery project achieving client targets

Summary of Results – Excluding AUMS

- EBITDA for Q3 up 10.7% pcp
- YTD EBITDA down 13% pcp due to first half result
- Project EBITDA margin on target at 20.5% for Q3 and 20.3% YTD
- Shared service costs YTD down 11.3% pcp

	Mar-15 QTR \$M	Mar-14 QTR \$M	Mar-15 YTD \$M	Mar-14 YTD \$M
Revenue				
Mining	110.6	115.5	323.0	376.0
Diamond Drilling	12.9	8.9	35.3	32.2
Crushing	-	0.2	1.0	0.4
Other	0.4	0.8	1.8	1.8
Total Revenue	123.9	125.4	361.1	410.4
Project Costs	98.5	102.6	287.8	329.7
Project EBITDA				
Mining	23.5	21.7	67.7	75.6
Diamond Drilling	1.6	1.0	5.0	4.5
Crushing	0.2	0.2	0.5	(0.3)
Other	0.1	(0.1)	0.1	0.9
Total Project EBITDA	25.4	22.8	73.3	80.7
Shared Services Costs				
Operational & Admin Services	7.0	8.9	22.8	25.7
SS Allocation	(7.4)	(9.4)	(21.6)	(27.9)
EBITDA	25.8	23.3	72.1	82.9
Depreciation	13.3	13.2	39.1	46.3
Amortisation	0.3	0.2	0.8	0.7
Trading EBIT	12.2	9.9	32.2	35.9
Redundancy Costs	-	0.8	1.7	5.0
EBIT	12.2	9.1	30.5	30.9

Summary of Results – AUMS

- AUMS is outside the HYB Credit Group
- Exceptional performance in Q3
- YTD EBIT now consistent pcp
- Commencing work on Roxgold's Yaramoko gold project in Burkina Faso
- Rangold Loulo contract extended to October 2015
- Cash on hand US\$31m at 31 March 2015
- Dividends of circa US\$29m likely to be paid in FY15
- External debt of US\$0.9m

	Mar-15	Mar-14	Mar-15	Mar-14
	QTR	QTR	YTD	YTD
	USD \$M	USD \$M	USD \$M	USD \$M
Revenue	55.8	83.6	140.1	228.6
EBITDA	17.1	13.3	33.5	44.7
<i>EBITDA Margin</i>	30.6%	15.9%	23.9%	19.6%
Depreciation	5.1	10.6	17.6	27.8
EBIT	12.0	2.7	15.9	16.9
Interest	-	0.7	0.4	2.4
Tax	3.5	0.3	3.6	3.2
NPAT	8.5	1.7	11.9	11.3

	Mar-15	Mar-14	Mar-15	Mar-14
	QTR	QTR	YTD	YTD
	\$M	\$M	\$M	\$M
Barmenco's 50% Share (USD)	4.3	0.9	6.0	5.7
Currency Impact on Conversion to AUD	0.3	(0.5)	0.9	-
Elimination Entries and Adjustments (AUD)	-	0.1	0.1	0.5
Equity Accounted Share of Profits (AUD)	4.6	0.5	7.0	6.2

The Balance Sheet

- Cash on hand of \$112.0m
- Revolving credit facility of \$50m effectively undrawn
- Net assets down \$23.1m year on year primarily due to:
 - Reduction in swap (26.0)
 - Reduction in value of PPE (11.6)
 - Reduction in cash (9.4)
 - Reduction in loans to AUMS (6.7)
 - Reduction in HYB (net of capitalised borrowing costs) 16.1
 - Reduction in equipment finance liabilities 10.0
 - Increase in investment in AUMS 4.5
- Redeemable preference shares and shareholder loan notes treated as equity.

		Mar-15 \$M	Jun-14 \$M	Mar-14 \$M
Current Assets	Cash and Cash Equivalents	112.0	95.8	121.4
	Trade and Other Receivables	52.9	56.8	52.8
	Inventories	25.6	24.2	23.4
	Other	5.9	4.8	5.4
	Total Current Assets	196.4	181.6	203.0
Non-Current Assets	Property, Plant & Equipment	112.5	123.1	124.1
	Intangible Assets	259.5	260.2	260.5
	Derivatives	4.6	15.4	30.6
	Investment in Joint Venture (AUMS)	77.9	67.6	73.4
	Other	2.9	9.0	9.4
	Total Non-current Assets	457.4	475.3	498.0
Total Assets		653.8	656.9	701.0
Current Liabilities	Trade, Other Payables & Provisions	71.5	49.1	69.9
	HP Liabilities	3.7	9.4	12.9
	Employee Benefits and Other	23.6	23.8	23.7
	Total Current Liabilities	98.8	82.3	106.5
Non-Current Liabilities	HP Liabilities	3.2	4.1	4.0
	High Yield Bonds (<i>net of capitalized borrowing costs</i>)	495.0	503.0	511.1
	Other	2.7	2.2	2.2
	Total Non-Current Liabilities	500.9	509.3	517.3
Total Liabilities		599.7	591.6	623.8
Net Assets		54.1	65.3	77.2

Reconciliation to Statutory Balance Sheet

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

	Mar-15	Jun-14	Mar-14
	\$M	\$M	\$M
Net Assets	54.1	65.3	77.2
Redeemable preference shares	332.9	301.4	292.0
Shareholder loan notes	16.3	14.7	14.3
Statutory Net Assets	(295.1)	(250.8)	(229.1)

Cash Flow

- Cash on hand \$112.0m
- Positive cash flow of \$16.2m YTD
- Interest YTD of \$32.5m comprises
 - HYB \$31.4
 - RCF and swap reset \$1.6
 - HP/equipment finance interest \$0.5
 - Bank charges and other \$0.5
 - Interest received (\$1.5)

	Mar-15 YTD \$M	Jun-14 FISCAL YR \$M	Mar-14 YTD \$M
EBITDA (after redundancies)	70.4	106.5	77.9
Movement in Working Capital	8.7	10.4	19.2
Subtotal	79.1	116.9	97.1
Capital Expenditure (net of disposals)	(25.2)	(33.6)	(25.1)
Loans from JVs	6.7	-	-
Debt	(9.1)	(27.5)	(22.2)
Interest (net)	(32.5)	(64.7)	(34.1)
Tax	(0.8)	(1.9)	(0.9)
Other	(2.0)	-	-
Cash Flow	16.2	(10.8)	14.8
Opening Cash	95.8	106.6	106.6
Closing Cash	112.0	95.8	121.4

Capital Expenditure

- Full year cap-x forecast to be approximately \$45m

	Mar-15 YTD \$M	Mar-14 YTD \$M
Growth	4.6	19.0
Stay in Business	28.8	19.8
Total Capital Expenditure	33.4	38.8
Acquired via HP or Finance Leases	2.4	11.0
Capital Expenditure (Funded From Cash)	31.0	27.8

Major Mining Contracts

PROJECT	ULTIMATE CLIENT	COMMODITY	LOCATION	CONTRACT END DATE	CONTRACT STATUS
Sunrise Dam	Anglo Gold Ashanti	Au	WA	QTR 4 – FY19	
Flying Fox	Western Areas	Ni	WA	QTR 1 – FY17	+ 2 Year Option
Spotted Quoll	Western Areas	Ni	WA	QTR 1 – FY17	+ 2 Year Option
Sukari	Centamin	Au	Egypt	QTR 2 – FY17	
Agnew	Goldfields	Au	WA	QTR1 – FY17	
Dugald River	MMG	Zn	QLD	FY15	Discussions underway re contract extension
Renison	Metals X	Sn	TAS	QTR 3 – FY16	+ 1 Year Option
Rosebery	MMG	Zn	TAS	QTR 2 – FY17	+ 2 Year Option
Nova Bollinger	Sirius Resources	Ni	WA	QTR 3 – FY17	+ 1 Year Option

Pipeline Opportunities

Mine	Commodity	Client	Start Date	Location
Central Murchison Gold Operations	Au	Metals X	QTR 1 - FY16	Western Australia
Gordon Sirdar	Au	FMR Investments	QTR 1 - FY16	Western Australia
Mt Lyell	Cu	Copper Mines of Tasmania Pty Ltd	Oct 2015	Tasmania
Olympic Dam	Cu, Au, U	BHP Billiton	Late 2015	South Australia

Business Outlook

- General market overview
- Focus on delivering FY15 target