E&A Limited
2013 First Half Results
22 February 2012

2013 First Half Results: Key Messages

- **Strongest half year performance to date**
- **Growth in revenue, profit, cash generation and shareholder return**
- **Management team strengthened**
- **Capabilities broadened to address new markets and clients**
- **On-track to deliver increased earnings and dividends in FY13**
- **Balance sheet strengthened**
- **Further organic and acquisitive growth expected during 2013**

2013 First Half Financial Highlights

FY13 Half Year Results Summary EAL Group (000's)	Half Year FY13	Half Year FY12	Percentage Change (%)
Revenue	**97,451**	77,971	**25%**
EBIT from continuing operations	**7,099**	4,793	**48%**
Net interest expense	(1,161)	(1,684)	**31%**
Net profit before tax	**5,938**	3,109	**91%**
Tax expense	(1,797)	(885)	**(103%)**
Reported statutory net profit after tax	**4,141**	2,224	**86%**
Cash from Operations	**4,666**	(5,037)	**193%**
Cash from Operations Before Tax and Interest	**7,137**	(2,896)	**346%**

- **Cash generated from operations of $4.7 million, up 193% from $(5.0) million**
- **Net debt in line with June 2012 and 32% lower than December 2011**
- **All 4 business segments increased earnings contribution**

2013 First Half Financial Highlights (continued)

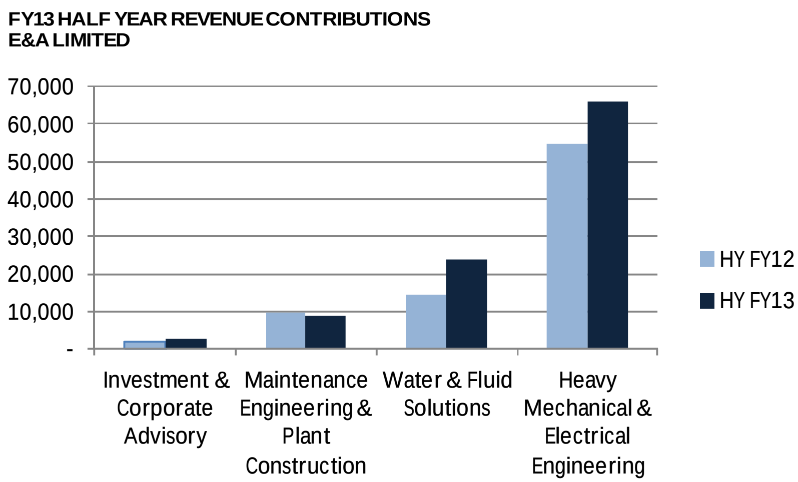
FY13 Half Year Results Summary EAL Group	Half Year FY13	Half Year FY12		Percentage Change (%)
Earnings Per Share (cents)	**3.9**	2.3	▲	**70%**
EBIT Margin	**7%**	6%	▲	**1%**
Return on shareholders' funds*	**15%**	8%	▲	**7%**
Rolling 12 month TSR %	**182%**	-12%	▲	**194%**

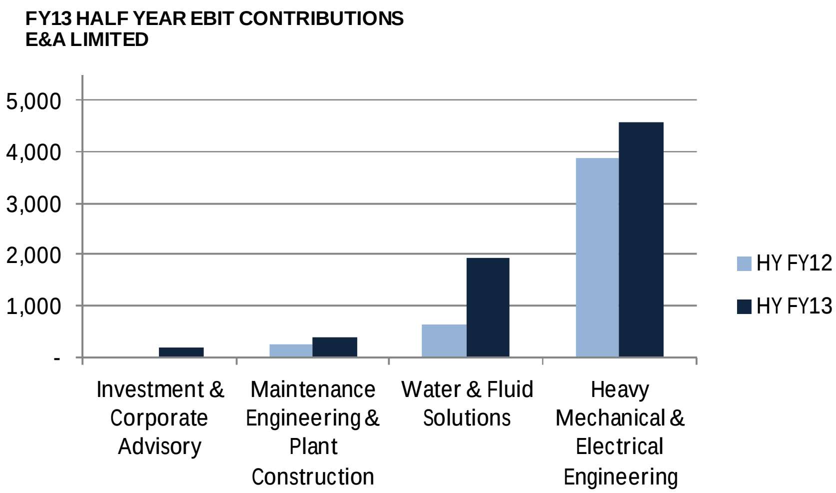
** Annualised half year result*

- **Return on Shareholders' Funds of 15%**
- **Rolling 12 month Total Shareholder Return (TSR) of 182% to 31 Dec**
- **Strong contracting performance in FY12 and FY13 driving continued growth**
- **Investment in wind tower capability expected to generate income from final quarter in FY13**

Revenue and Earnings Growth by Segment

FY13 Half Year Segment Contributions EAL Group ($'000's)	Half Year FY13 Revenue	Half Year FY12 Revenue		Half Year FY13 EBIT	Half Year FY12 EBIT	
Heavy Mechanical & Electrical Engineering	**66,256**	54,577	▲	**4,569**	3,898	▲
Water & Fluid Solutions	**23,857**	14,202	▲	**1,940**	649	▲
Maintenance Engineering & Plant Construction	**8,678**	9,702	▼	**404**	252	▲
Investment & Corporate Advisory	**2,746**	1,757	▲	**186**	(6)	▲
Total *(Excluding intercompany sales eliminations)*	**101,537**	**80,238**	▲	**7,099**	**4,793**	▲





Safety

For the period ended 31 December 2012, EAL's major subsidiaries achieved the following Safety milestones:

- ICE completed its 5th year without a Lost Time Injury (LTI) and has worked more than 868,213 hours on site without a LTI.
- Ottoway Engineering has completed over 900 days without a LTI and has now worked more than 1.2 million hours in the workshop and on site without a LTI.
- E&A Contractors has completed two years without a LTI and has now worked more than 393,557 hours in the workshop and on site without a LTI.
- Fabtech has established industry leading safety systems and procedures, including AS4801 safety accreditation and has been LTI free for 1,340 days, which is in excess of 750,000 hours in the workshop and on site.

Cashflow

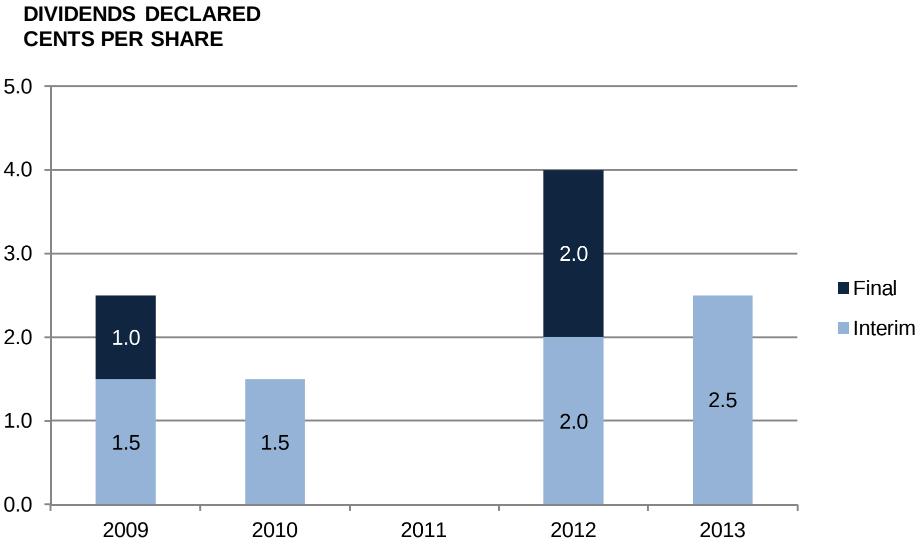
FY13 Half Year Cashflow EAL Group ($'000s)	Half Year FY13	Half Year FY12	Percentage Change (%)
Cash flow from operations before interest and tax	**7,137**	**(2,896)**	▲ **346%**
Payment of interest and tax	(2,471)	(2,141)	15%
Operating cash flow	**4,666**	**(5,037)**	▲ **193%**
Cash flow used in investing activities	(3,362)	(1,043)	222%
Surplus cash flow from operations after investing activities	**1,304**	**(6,080)**	▲ **121%**

- **Increase in cash used in investing activities principally related to the acquisition of wind tower manufacturing assets and the extension of E&A Limited's fabrication facility in Whyalla, South Australia.**

- **The surplus after investing cash flows was supplemented with proceeds from equity and borrowings, which allowed E&A Limited to repay $4.5 million in debt and pay dividends throughout the period.**

Dividend

- Interim dividend increased to 2.5 cents per share fully franked
- Interim dividend represents a payout of $2.7 million, and distribution ratio of 64% of NPAT
- E&A Limited aspires to be high yield / high growth stock
- Target dividend payout ratio is 60% - 70% of NPAT



Heavy Mechanical and Electrical Engineering

Heavy Mechanincal & Electrical Engineering *(in thousands)*	Half Year FY13	Half Year FY12		Percentage Change (%)
Segment Revenue	**66,256**	54,577	▲	**21.4%**
EBIT	**4,569**	3,898	▲	**17.2%**

- **Ottoway Engineering**
  - Expansion of Adelaide & QLD fabrication facilities
  - New contracts for Thiess, Pelican Point & others
  - Key contract extensions secured from BHP, Santos and ASC
- **E&A Contractors**
  - Whyalla fabrication capacity expanded
  - Expansion into wind tower fabrication
  - Improvement in profitability
- **ICE**
  - Focus on WA, Eyre Peninsula, Olympic Dam and Adelaide
- **Each business in the Heavy Mechanical & Electrical Engineering segment is growing**

Water and Fluid Solutions

Water & Fluid Solutions *(in thousands)*	**Half Year FY13**	**Half Year FY12**		**Percentage Change (%)**
Segment Revenue	**23,857**	14,202	▲	**68.0%**
EBIT	**1,940**	649	▲	**198.9%**

§ **Fabtech**

- Record sales driven by Queensland coal seam gas sector
- Significant new contracts secured for delivery in FY13 and FY14
- Improved risk management and mitigation

§ **Blucher**

- Sales growth driven by SE Queensland project work in coal seam gas sector
- Cost management initiatives driving improved earnings

Maintenance Engineering and Plant Construction

Maintenance Engineering & Plant Construction *(in thousands)*	**Half Year FY13**	**Half Year FY12**		**Percentage Change (%)**
Segment Revenue	**8,678**	9,702	▼	**(10.6%)**
EBIT	**404**	252	▲	**60.3%**

- **Heavymech**
  - Investment in CNC machining capacity during second half of FY13
  - Continued improvement of Whyalla operations
  - Strengthened on-site shutdown capability
- **QMM**
  - Focus on repair and maintenance activity in construction materials and mining industries generating growth
  - Plant upgrade projects secured for second half
  - Mine maintenance activity subdued but expected to improve in second half

Investment & Corporate Advisory

Investment & Corporate Advisory *(in thousands)*	**Half Year FY13**	**Half Year FY12**		**Percentage Change (%)**
Segment Revenue (Note 1)	**2,746**	1,757	▲	**56.3%**
EBIT	**186**	(6)	▲	**3200.0%**

Note 1: Excludes intercompany dividend revenue

- Segment result includes E&A Limited corporate overheads
- Market for mergers and acquisitions activity improving
- Increased order book of advisory mandates

Business Drivers are Broadly Based and Positive

Segment	Business	Principal Drivers	Status
Heavy Mechanical & Electrical	Ottoway, ICE, E&A Contractors	Cooper Basin	Activity levels increasing with Cooper Infrastructure Expansion Project
		Coal Seam Gas	SE Qld activity levels increasing
		Wind Tower Construction	Facility upgrade committed, assembly accreditation being finalised
		Mining	Winning work in WA iron ore projects
		Defence	ASC - AWD Program
		Infrastructure	Key project work expected
Water & Fluid Solutions	Fabtech, Blucher	Coal Seam Gas	SE Qld activity levels increasing
		Waste Water Treatment	Providing increased opportunities
		Mining	Coal / Iron Ore / Gold & Copper / Mineral Sands opportunities
Maintenance Engineering & Plant Construction	QMM, Heavymech	Mining capex	Subdued construction and upgrade activity
		Repair and maintenance	Solid maintenance activity and breakdown repairs
Investment & Corporate Advisory	Equity & Advisory	Corporate Activity	M&A Activity improving slowly

Outlook

- E&A Limited FY13 Half Year NPAT of $4.1 million exceeds FY12 Full Year result of $2.9 million

- All E&A Limited subsidiaries hold positive order book positions for the 2013 Calendar Year

- Group is on track for significant improvement in full year result compared with results reported in prior years and expects to deliver a similar second half earnings performance to that recorded in the first half

- Strategies for organic growth as well as acquisition growth continue to be considered by the E&A Limited Board of Directors

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