



**SGX/MEDIA RELEASE
For Immediate Release**

Company Registration Number 200413014R
36 Tuas Road, Singapore 638505

Singapore and Australia
11 February 2014

AusGroup delivers an increase in earnings to AU\$2.3 million for Q2 FY2014

- Increase in net profit to AU\$2.3 million from loss of AU\$15.1 million
- 19.3% decrease in operating expenses from AU\$13.1 million to AU\$10.6 million
- Cash and cash equivalents of AU\$31.4 million as at 31 December 2013 with no debt
- Order Book stands at AU\$226 million (as of 11 February 2014)

AusGroup Limited ('AGL' or 'AusGroup' or the 'Group') is pleased to announce its results for the second quarter ('2Q FY2014') and first half ('HY2014') ended 31 December 2013.

AusGroup booked a gross profit increase of approximately 137% to AU\$7.8 million (1Q FY2014: loss of AU\$20.9 million) for 2Q FY2014. This improved performance was on the back of increased activity levels within the Group's Maintenance Services and Fabrication divisions and delivered 11.4% gross margin across the portfolio of projects.

Cash and cash equivalents as at 31 December 2013 totalled AU\$31.4 million, with no debt.

The Group continues to maintain an improved pipeline of work heading into H2FY2014 with the Group's order book as at 11 February 2014 totalling AU\$226 million.

Financial highlights/summary	2Q FY2014	1Q FY2014	change
	AU\$'000	AU\$'000	%
Revenue	68,020	77,235	(11.9)
Gross profit	7,788	(20,890)	137.3
Gross margin	11.4%	-27.0%	142.3
Other operating income	2,851	10,404	(72.6)
Operating expenses	(10,560)	(13,082)	(19.3)
Net profit attributable to equity holders	2,293	(15,115)	115.2
Net profit margin	3.4%	-19.6%	117.2
Net cash from operating activities	(10,276)	22,392	(145.9)



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Outlook

As anticipated last quarter, the slowdown in the minerals mining sector has seen revenues softening into the future as compared to previous years. While we expect that trend will continue, the next 12-24 months will see increased opportunities arising from LNG construction projects which should offer some balance.

The Group continues to see significant interest coming from the mining and LNG customers for the provision of maintenance services as the market transition from Capex to Opex spend. The Group strategy is to focus on expanding its maintenance offering which provide long term recurring revenue. This restructuring will also result in a lower cost based to provide improved profit margin quality.

In line with the current market conditions the Group is restructuring that will result in a lower cost base so as to ensure an improvement in margin quality to remain competitive while continuing to expand its maintenance services offering.

The Group advises that an investor briefing pack for the FY2014 half year results will be available on the Group's website: www.agc-ausgroup.com.

Ends

Issued for and on behalf of AusGroup Limited by Financial PR Pte Ltd.

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ABOUT AUSGROUP LIMITED (Bloomberg Ticker: AUSG.SP)

Main board-listed on the Singapore Exchange (SGX), AusGroup Limited is an energy and resources specialist providing fabrication, precision machining, construction and integrated services to natural resource development companies. The Company also provides access services for construction and maintenance contracts through Modern Access Services (MAS). AusGroup has an established operations network strategically positioned throughout Australia, Singapore and Thailand. For more information visit www.agc-ausgroup.com