

**SGX/MEDIA RELEASE
For Immediate Release**

Company Registration Number 200413014R
36 Tuas Road, Singapore 638505

Singapore and Australia
28 August 2013

AusGroup FY2014 Results

AusGroup increases Q4 net margin to 2.7% on increased revenues from LNG and Maintenance contracts

Q4 Highlights

- Revenue increases to AU\$84.1 million, up 15.2% increase on March quarter
- Gross margins of 11.1% remains within the targeted range
- EBITDA of AU\$7.3 million for the quarter
- NPAT for the quarter of AU\$2.2 million or 2.7%
- Cash and cash equivalents of AU\$40.8 million, up from AU\$11.7 million for June 2013
- Gearing of 10.0% as at 30 June 2014, improved from 17.3% for June 2013
- Order Book stands at AU\$374 million as at 30 June 2014

AusGroup Limited ('AGL' or 'AusGroup' or the 'Group') today announced its results for the three/twelve months ended 30 June 2014 ('4Q FY2014/FY2014'). This release should be read in conjunction with our SGX Announcement.

Operating performance	1Q 2014 AU\$'000	2Q 2014 AU\$'000	3Q 2014 AU\$'000	4Q 2014 AU\$'000	FY 2014 AU\$'000	FY 2013 AU\$'000	+/(-) %
Revenue	77,235	68,020	73,044	84,149	302,447	582,706	(48.1)
Gross profit	(20,890)	7,788	8,725	9,323	4,944	63,488	(92.2)
<i>Gross profit margin %</i>	<i>(27.0%)</i>	<i>11.4%</i>	<i>11.9%</i>	<i>11.1%</i>	<i>1.6%</i>	<i>10.9%</i>	
Other operating income	10,404	2,851	846	7,255	21,357	3,945	441.4
Operating expenses	(13,082)	(10,561)	(10,210)	(12,258)	(46,111)	(49,690)	(6.5)
Net profit/(loss) for the period / year	(15,115)	2,293	(1,294)	2,245	(11,871)	9,709	(222.3)
<i>Net Profit margin %</i>	<i>(19.6%)</i>	<i>3.4%</i>	<i>(1.8%)</i>	<i>2.7%</i>	<i>(3.9%)</i>	<i>1.7%</i>	
One- off costs	2,400	3,600	2,090	200	8,290		
Adjusted Net profit/(loss) for the period / year	(12,715)	5,893	796	2,445	(3,581)	9,709	(36.9)
<i>Adjusted Net Profit margin %</i>	<i>(16.5%)</i>	<i>8.7%</i>	<i>1.1%</i>	<i>2.9%</i>	<i>(1.2%)</i>	<i>1.7%</i>	

Revenue for the fourth quarter of FY2014 of AU\$84.1 million reflected a 15.2% and 23.7% increase against the levels in the previous two quarters respectively on the back of increased activity in the LNG and maintenance sectors. The Group's revenue base is rebuilding following the marked decline in activity across the resources sector when compared with FY2013 comparatives.

Gross profit for the fourth quarter increased to AU\$9.3 million, up from AU\$8.7 million in the third quarter of FY2014. Gross profit margins for the fourth quarter were 11.1%, within the target range of 10-12% across the portfolio of projects. The improvement is due to better margins achieved in the maintenance and fabrication services.

**SGX/MEDIA RELEASE
For Immediate Release**

Company Registration Number 200413014R
36 Tuas Road, Singapore 638505

Other operating income for the fourth quarter of FY2014 was AU\$7.3 million (4Q FY2013: AU\$1.6 million) following the previously deferred profit on the sale of 36 Tuas Road Singapore in Oct 13 being fully recognised in the FY2014 financial year.

Operating expenses (comprising administrative expenses, marketing and distribution expenses and operating costs) for the fourth quarter of FY2014 increased by 3.4% year-on-year to AU\$12.3 million (4Q FY2013: AU\$11.9 million). Operating expenses for the FY2014 decreased by 7.2% to AU\$46.1 million (FY2013: AU\$49.7 million). The decrease is mainly due to the Group's restructuring to a lower cost base net of one-off restructuring costs.

Net profit attributable to equity holders for the fourth quarter of FY2014 was AU\$2.2 million (4Q FY2013: AU\$0.5 million) as a result of higher revenue and gross margins. The lower profit for FY2014 was mainly due to cost overruns from two contracts, delays in the commencement of new contracts and one-off restructuring costs recognised in previous quarters.

Financial position	FY 2014 AU\$'000	FY 2013 AU\$'000	+/(-) %
Cash & cash equivalents	40,845	11,722	248.4
Total borrowings	19,630	30,010	(34.6)
Equity	196,129	173,200	13.2%
<i>Gearing %</i>	10.0%	17.3%	

Cash and cash equivalents for the Group as at 30 June 2014 has increased during FY2014 to AU\$40.8 million (FY2013: AU\$11.7 million).

Total Borrowings for the Group have decreased from AU\$30.0 million to \$19.6 million across FY2014, while gearing has reduced to 10.0%.

Total shareholders' equity as at 30 June 2014 was AU\$196.1 million, an increase of 13.2% over the previous year (FY2013: AU\$173.2 million), due to two successful placements during the year that raised AU\$35.0 million.

Revenue pipeline	FY 2014 AU\$'000	FY 2013 AU\$'000	+/(-) %
Order intake	421.4	431.7	(2.4)
Work-in-hand	374.3	260.3	260.3

Order intake for the fourth quarter was AU\$68.6, bringing the order intake for FY2014 to AU\$421.4 million.

Work-in-hand for the Group as at 30 June 2014 was AU\$374.3 million, up from AU\$260.3 million at the comparative period for FY2013.

Summary

Chief Executive Officer Stuart Kenny said: "I'm pleased to report the Group's net profit margin again expanded during the period, continuing a steady improvement following the losses recorded in Q1. We expect to further increase net margin as we simplify the structure of the Group."

Mr Kenny said: "Whilst we are disappointed in the full year result, we are pleased with the initial indications that the strategic review and restructuring that have occurred during the year are starting to show tangible results. We have rebuilt the order book and the financial position of the Group over the last nine months and look forward to continuing that momentum into FY2015 on the back of the opportunities arising in the LNG and maintenance sectors."



**SGX/MEDIA RELEASE
For Immediate Release**

Company Registration Number 200413014R
36 Tuas Road, Singapore 638505

Background Information

The Group provides manufacturing, construction and asset maintenance services to both the oil and gas and mineral resources markets. The Group's growth is directly linked to activities around new project developments and project expansions as well as provision of maintenance services to clients in these sectors.

The Group has extensive exposure to the Western Australian natural resources sector, including oil and gas, LNG, iron ore and other mineral commodities and has also established a base in the Queensland natural resources sector targeting industrial maintenance and LNG and coal seam opportunities. In Singapore, the Group provides services to the upstream and downstream oil and gas and related sectors through fabrication and manufacturing and temporary access (scaffolding) services. In Thailand, the primary focus is the provision of integrated services, including scaffolding and insulation, to the oil & gas, petrochemical and industrial market sectors.

The Group wishes to inform that an investor briefing pack for the 2014 full year results is also available on the website - www.agc-ausgroup.com.

Ends

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

For more information, please contact Kathy Zhang/Romil Singh
T +65 6438 2990 | F +65 6438 0064 | E Kathy@financialpr.com.sg / romil@financialpr.com.sg

For further information in Australia, please contact Roze Maravillas
T +61 8 6210 4591 | M +61 439 907 982 | E roze.maravillas@agc-ausgroup.com

ABOUT AUSGROUP LIMITED (Bloomberg Ticker: AUSG.SP)

Main board-listed, AusGroup Limited is an energy and resources specialist providing fabrication, precision machining, construction and integrated services to natural resource development companies. AusGroup has an established operations network strategically positioned throughout Australia, Singapore and Thailand. For more information visit www.agc-ausgroup.com