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PART I INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), HALF-YEAR AND FULL YEAR RESULTS
1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year
(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
(Amounts expressed in thousands of Australian Dollar ("AU\$") currency)
These statements have not been audited.

	GROUP			GROUP		
	4Q 2014 AU\$'000	4Q 2013 AU\$'000	+ / (-) %	FY 2014 AU\$'000	FY 2013 AU\$'000	+ / (-) %
Revenue	84,149	137,576	(38.8)	302,447	582,706	(48.1)
Cost of sales	(74,826)	(123,132)	(39.2)	(297,503)	(519,218)	(42.7)
Gross profit	9,323	14,444	(35.5)	4,944	63,488	(92.2)
Gross margin	11.1%	10.5%		1.6%	10.9%	
Other operating income	7,255	1,556	366.2	21,357	3,945	441.4
Other operating costs	(5,009)	(4,009)	24.9	(17,954)	(21,927)	(18.1)
Administrative expenses	(7,008)	(6,865)	2.1	(25,995)	(25,058)	3.7
Marketing and distribution expenses	(242)	(983)	(75.4)	(2,162)	(2,705)	(20.1)
Share of (loss) / profit of joint venture	-	(1,005)	(100.0)	-	524	(100.0)
Profit/(loss) from operations	4,319	3,138	37.6	(19,810)	18,267	(208.4)
Finance costs	(556)	(2,370)	(76.6)	(3,442)	(3,982)	(13.6)
Profit/(loss) before income tax	3,763	768	390.0	(23,252)	14,285	(262.8)
Income tax benefit/(expense)	(1,518)	(243)	525.3	11,381	(4,576)	(348.7)
Net profit/(loss) for the period / year attributable to equity holders of the company	2,245	525	327.5	(11,871)	9,709	(222.3)
Net profit/(loss) %	2.7%	0.4%		-3.9%	1.7%	
Earnings/(loss) per ordinary share (cents)						
- basic	0.4	0.1		(2.3)	2.0	
- diluted	0.4	0.1		(2.3)	2.0	

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

	4Q 2014 AU\$'000	4Q 2013 AU\$'000	FY 2014 AU\$'000	FY 2013 AU\$'000
Profit/(loss) for the period/ year	2,245	525	(11,871)	9,709
	-	-	-	-
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation	(494)	4,866	(324)	5,622
Other comprehensive (expense)/income for the period/year	(494)	4,866	(324)	5,622
Total comprehensive (loss)/income attributable to equity holders of the company	1,751	5,391	(12,195)	15,331

(ii) NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
A. PROFIT/(LOSS) FROM OPERATIONS

The following items have been included in determining the profit/(loss) from operations:

	GROUP		GROUP	
	4Q 2014 AU\$'000	4Q 2013 AU\$'000	FY 2014 AU\$'000	FY 2013 AU\$'000
Other operating income				
Interest income	134	95	742	616
Profit on sale of property, plant and equipment	618	1,149	4,202	2,249
Profit on sale of asset held for sale	5,770	-	14,760	-
Other income	949	261	2,241	1,061
Foreign exchange gain / (loss)	(216)	51	(588)	19
Total other operating income	7,255	1,556	21,357	3,945
Depreciation and Amortisation				
Depreciation of property, plant & equipment				
- included in cost of sales	1,517	2,802	9,024	11,563
- included in administrative expenses	825	304	1,582	1,285
Amortisation of intangible assets				
- included in cost of sales	80	239	485	1,018
- included in administrative expenses	782	478	3,190	1,552
	3,204	3,823	14,281	15,418
Employee share and share option scheme (expense reversal) / expense	(221)	(352)	(166)	(747)
ASX listing expenses	-	-	1,925	-
(Recovery) / Impairment of trade receivables	(40)	(13)	(16)	43

B. FINANCE COSTS

	GROUP		GROUP	
	4Q 2014 AU\$'000	4Q 2013 AU\$'000	FY 2014 AU\$'000	FY 2013 AU\$'000
Loans	458	2,160	2,763	3,215
Bank guarantee fees	50	67	463	286
Finance leases and hire purchase	16	12	88	194
Hedging costs	-	27	2	27
Unwinding of earn out payable	32	104	126	260
Total finance costs	556	2,370	3,442	3,982

C. INCOME TAX EXPENSE

	GROUP		GROUP	
	4Q 2014 AU\$'000	4Q 2013 AU\$'000	FY 2014 AU\$'000	FY 2013 AU\$'000
Profit/(loss) before income tax	3,763	768	(23,252)	14,285
Prima facie taxation calculated at applicable rate on profit/(loss) before income tax	(456)	(214)	8,912	(3,983)
Tax effect of non-assessable/non-deductible items	1,787	79	2,469	(483)
Tax credits	(2,850)	306	-	306
Over / (under) provision of :				
- current tax in prior periods / years	-	(1,175)	-	(1,178)
- deferred tax in prior periods / years	-	762	-	762
Total income tax (expense)/benefit	(1,518)	(243)	11,381	(4,576)
Income tax expense percentage (%)	40.3%	31.6%	-48.9%	32.0%

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group As at 30/06/2014 AU\$'000	Group As at 30/06/2013 AU\$'000	Company As at 30/06/2014 AU\$'000	Company As at 30/06/2013 AU\$'000
CURRENT ASSETS				
Cash and cash equivalents	40,845	11,722	16,519	1,645
Trade receivables	137,071	160,566	-	-
Other receivables and prepayments	14,031	7,362	516	1,187
Inventories	6,146	1,797	-	-
Due from subsidiaries	-	-	425	24,003
Other assets	117	1,012	-	-
	<u>198,210</u>	<u>182,459</u>	<u>17,460</u>	<u>26,835</u>
Assets classified as held for sale	-	18,397	-	-
Total current assets	<u>198,210</u>	<u>200,856</u>	<u>17,460</u>	<u>26,835</u>
NON-CURRENT ASSETS				
Property, plant and equipment	60,858	75,986	-	-
Goodwill	16,405	16,421	-	-
Intangible assets	7,987	10,867	-	-
Other receivables and prepayments	1,453	-	-	-
Due from subsidiaries	-	-	23,611	8,571
Other assets	-	-	61,465	37,438
Deferred income tax assets	16,390	1,661	-	-
Total non-current assets	<u>103,093</u>	<u>104,935</u>	<u>85,076</u>	<u>46,009</u>
Total assets	<u>301,303</u>	<u>305,791</u>	<u>102,536</u>	<u>72,844</u>
CURRENT LIABILITIES				
Trade payables	29,198	42,527	-	-
Other payables	41,235	41,861	1,331	1,947
Borrowings	1,916	30,010	-	-
Accruals for other liabilities and charges	10,024	12,306	-	-
Current income tax liabilities	2,025	780	-	361
Total current liabilities	<u>84,398</u>	<u>127,484</u>	<u>1,331</u>	<u>2,308</u>
NON-CURRENT LIABILITIES				
Deferred income tax liabilities	1,835	2,406	-	-
Other payables	-	1,252	-	-
Borrowings	17,713	-	-	-
Accruals for other liabilities and charges	1,228	1,449	-	-
Total non-current liabilities	<u>20,776</u>	<u>5,107</u>	<u>-</u>	<u>-</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	99,599	64,309	99,599	64,309
Capital reserve	(163)	(163)	(163)	(163)
Share option reserve	886	1,052	886	1,052
Foreign currency translation reserve	3,528	3,852	4,173	5,018
Retained earnings	92,279	104,150	(3,290)	320
Total equity	<u>196,129</u>	<u>173,200</u>	<u>101,205</u>	<u>70,536</u>
Total liabilities and equity	<u>301,303</u>	<u>305,791</u>	<u>102,536</u>	<u>72,844</u>

1(b)(ii) Aggregate amount of group's secured borrowings and debt securities

	30/06/2014		30/06/2013	
	AU\$'000	AU\$'000	AU\$'000	AU\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	1,916	-	30,010	-
Amount repayable after one year	17,713	-	-	-

As at 31 March 2014, AusGroup Limited had fully repaid its senior debt facilities under the Group's then club bank facility with Australia & New Zealand Banking Group Limited and HSBC Australia Pty Ltd as the facilities expired in January 2014. A Deed of Termination and Release has been executed by the Group and the Banks.

On 24 April 2014, the Group through its subsidiary AGC Australia Pty Ltd has completed drawdown on a 2.5 year A\$20 million term credit facility ("Term Facility"). As mentioned in the Group's announcement dated 11 April 2014, the funds will be used for the Group's working capital requirements and to support cash-collateralisation of the bank guarantees.

Details of secured collateral

Win AGC Pty Ltd

First registered fixed and floating charge over all the present and future property, interests, rights and proceeds of AGC Australia Pty Ltd, AGC Industries Pty Ltd, MAS Australasia Pty Ltd, Seagate Structural Engineering Pty Ltd, AGC Energy & Infrastructure Pty Ltd, and Resource People Pty Ltd ("Australian Group Companies"), including real and personal property, goodwill, uncalled and called but unpaid capital.

First registered real property mortgage by AGC Australia Pty Ltd over the commercial properties located at 15 Beach Street, Kwinana WA 6167 and Seagate Structural Engineering Pty Ltd over property located at Lots 17 and 18 Gap Ridge Industrial Estate Karratha WA.

Syndicated facility covenants

The Australian Group Companies are required under the syndicated facility to maintain certain financial ratios such as gearing ratio, fixed charge cover and leverage ratio. In addition the Australian Group Companies are required to maintain a minimum total asset balance. As at 30 June 2014 the Group met all of these financial covenants. As at 30 June 2014, the Group has drawn down AU\$20.0 million of the syndicated facility.

1(c) A consolidated statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	GROUP 4Q 2014 AU\$'000	GROUP 4Q 2013 AU\$'000	GROUP FY 2014 AU\$'000	GROUP FY 2013 AU\$'000
Cash flows from operating activities				
Net profit/(loss) for the year	2,245	525	(11,871)	9,709
<i>Add / (less) adjustments for:</i>				
Income tax (benefit)/expense	1,518	243	(11,381)	4,576
Depreciation of property, plant and equipment	2,342	3,106	10,606	12,848
Amortisation of intangible assets	862	717	3,675	2,570
Employee share and share option scheme (expense reversal) / expense	(221)	(352)	(166)	(747)
(Recovery)/impairment loss on trade receivables	(40)	(13)	26	43
Profit on disposal of property, plant and equipment	(618)	(1,149)	(4,202)	(2,249)
Profit on disposal of asset held for sale	(5,770)	-	(14,760)	-
Share of profit/(loss) of joint venture	-	1,005	-	(524)
Interest income	(134)	(95)	(742)	(616)
Finance costs	556	2,370	3,442	3,982
Operating cash flows before working capital changes	740	6,357	(25,373)	29,592
Changes in operating assets and liabilities				
Trade receivables	(27,210)	(39,100)	23,430	(42,975)
Other receivables and prepayments	(609)	433	(7,695)	(1,251)
Inventories	(480)	1,896	(4,349)	795
Trade and other payables	2,658	2,607	(13,988)	14,217
Accruals	7,439	7,458	(2,504)	(11,846)
Cash used in operations	(17,462)	(20,350)	(30,479)	(11,468)
Interest paid	(524)	(2,292)	(3,316)	(3,722)
Interest received	134	95	742	616
Income tax paid	(2,877)	(1,135)	(3,049)	(12,394)
Net cash used in operating activities	(20,729)	(23,681)	(36,102)	(26,968)
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	2,507	2,426	13,548	4,673
Proceeds from sale of asset held for sale	-	-	33,000	-
Purchase of property, plant and equipment	(2,448)	(1,996)	(4,619)	(10,064)
Purchase of intangible assets	(44)	(3,354)	(799)	(5,225)
Distributions from joint venture	51	974	895	754
Net cash outflow on acquisition of subsidiary	-	-	-	(3,514)
Net cash outflow on acquisition of business	-	-	(1,303)	(565)
Net cash generated from/(used in) investing activities	66	(1,950)	40,722	(13,941)

Consolidated Statement of Cash Flows (continued)	GROUP 4Q 2014 AU\$'000	GROUP 4Q 2013 AU\$'000	GROUP FY 2014 AU\$'000	GROUP FY 2013 AU\$'000
Cash flows from financing activities				
Dividends paid	-	-	-	(3,772)
Proceeds from issue of share capital	21,869	-	36,308	139
Payment for share issue costs	(361)	-	(1,297)	-
Purchase of treasury shares	-	-	-	(1,701)
Proceeds from loans	20,000	14,556	20,000	22,556
Payment for borrowings costs	(649)	-	(649)	-
Repayment of borrowings	(117)	(418)	(26,761)	(1,658)
Net cash generated from financing activities	40,742	14,138	27,601	15,564
Net increase/(increase) in cash and cash equivalents	20,079	(11,493)	32,221	(25,345)
Effect of exchange rate changes	(1,101)	2,109	(128)	1,277
Movement in cash and cash equivalents for the period / year	18,978	(9,384)	32,093	(24,068)
Cash and cash equivalents at beginning of period / year	21,867	18,136	8,752	32,820
Cash and cash equivalents at end of period / year	40,845	8,752	40,845	8,752
Cash and cash equivalents represented by:				
Cash and bank balances	40,845	11,722	40,845	11,722
Bank overdraft	-	(2,970)	-	(2,970)
Total cash and cash equivalents at end of period / year	40,845	8,752	40,845	8,752

1(d)(i) A statement (for the issuer and group) showing either

- (i) all changes in equity, or
(ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

	SHARE CAPITAL	TREASURY RESERVE	CAPITAL RESERVE	SHARE BASED PAYMENT RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Group							
FY 2014							
Balance as at 1 July 2013	64,309	-	(163)	1,052	3,852	104,150	173,200
Shares issued	35,011	-	-	-	-	-	35,011
Total comprehensive loss for the year ended 30 June 2014	-	-	-	-	(324)	(11,871)	(12,196)
Employee share and option scheme (expense reversal) / expense	279	-	-	(166)	-	-	113
Balance as at 30 June 2014	99,599	-	(163)	886	3,528	92,279	196,129
Group							
FY 2013							
Balance as at 1 July 2012	64,170	-	-	3,337	(2,159)	98,602	163,950
Shares issued	139	-	-	-	-	-	139
Total comprehensive income for the year ended 30 June 2013	-	-	-	-	5,622	9,709	15,331
Dissolution of subsidiaries	-	-	-	-	389	(389)	-
Purchase of treasury shares	-	(1,701)	-	-	-	-	(1,701)
Transfer of treasury shares	-	1,701	(163)	(1,538)	-	-	-
Share based payment reserve	-	-	-	(747)	-	-	(747)
Dividends	-	-	-	-	-	(3,772)	(3,772)
Balance as at 30 June 2013	64,309	-	(163)	1,052	3,852	104,150	173,200

1(d)(i) A statement (for the issuer and group) of all changes in equity (continued)

Company	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
FY 2014							
Balance as at 1 July 2013	64,309	-	(163)	1,052	5,018	320	70,536
Shares issued	35,011	-	-	-	-	-	35,011
Total comprehensive loss for the year ended 30 June 2014	-	-	-	-	(845)	(3,610)	(4,455)
Employee share and option scheme (expense reversal) / expense	279	-	-	(166)	-	-	113
Balance as at 30 June 2014	99,599	-	(163)	886	4,173	(3,290)	101,205
Company							
FY 2013							
Balance as at 1 July 2012	64,170	-	-	3,337	(1,631)	2,051	67,927
Shares issued	139	-	-	-	-	-	139
Total comprehensive (expense) / income for the year ended 30 June 2013	-	-	-	-	6,649	2,041	8,690
Purchase of treasury shares	-	(1,701)	-	-	-	-	(1,701)
Transfer of treasury shares	-	1,701	(163)	(1,538)	-	-	-
Share based payment reserve	-	-	-	(747)	-	-	(747)
Dividends	-	-	-	-	-	(3,772)	(3,772)
Balance as at 30 June 2013	64,309	-	(163)	1,052	5,018	320	70,536

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year

Number of issued shares	Q4 2014	30 June 2014	30 June 2013
Opening balance	578,276,475	480,856,136	480,306,136
Exercise of share options	-	-	550,000
Shares issued under the Company's employee share scheme	-	1,320,339	-
Placement	70,000,000	166,100,000	-
Closing balance of issued shares	<u>648,276,475</u>	<u>648,276,475</u>	<u>480,856,136</u>

As at 30 June 2014 there were outstanding options for 1,674,000 (30 June 2013: 3,158,000) unissued ordinary shares under the employee share option scheme. All the outstanding options have vested and are exercisable at the balance sheet date.

As at 30 June 2014 there were 2,561,473 (30 June 2013: 6,631,176) outstanding rights that may potentially be converted to shares under the employee share scheme. The Group met the relevant TSR (Total shareholder return is based on a comparable peer group) targets for the financial year ended 30 June 2014 and it is expected that 167,033 shares rights qualified for the issuing of ordinary shares under the ASS (AusGroup Share Scheme) subsequent to year end. On 1 July 2014, 57,003 of the 2009 share rights have lapsed.

As at 30 June 2014 Captain Larry Glenn Johnson was a director of the Company, and on 10 July 2014 Eng Chiaw Koon was appointed a director of the Company. On 27 June 2014 in accordance with a resolution of shareholders passed on 19 June 2014, 35,000,000 options to acquire ordinary shares in the Company were issued. Captain Larry Glenn Johnson was issued 15,000,000 options, while Eng Chiaw Koon was issued 20,000,000 options. Under the terms of the options, one quarter of the options will vest on the first anniversary of the issue of the options and a further quarter each anniversary thereafter until all options have been vested.

As approved by Shareholders at the EGM held on 19 June 2014, the 110,000,000 options issued to Ezion were to raise funds for the Group's expansions via the strategic investment by Ezion as a substantial shareholder. Following the issue and allotment of these options on 27 June 2014, the options to Ezion are exercisable from that date. Assuming all of Ezion's options are exercised, the Company will receive additional net cash proceeds of S\$40,425,000 that will be used to fund proposed expansion (70-80%) into offshore marine services ("Proposed Expansion") and general working capital (20-30%). No value has been ascribed to these options as at 30 June 2014, as the Directors have deemed this to be a capital raising transaction.

As at 30 June 2014 and 30 June 2013 respectively there was no treasury shares held by the company.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year

	30 June 2014	30 June 2013
Number of issued shares	648,276,475	480,856,136

The Group completed two Placements of 96.1 million (on 22 January 2014) and 70 million (on 27 June 2014) new ordinary shares in the capital of the Company, thereby increasing the issued share capital of the Company to S\$123,194,493.68 divided into 648,276,475 ordinary shares. The Placement Shares provided Net Proceeds of S\$40,379,658.

The two Placements were undertaken to raise funds for the Group's additional working capital requirements and to finance the Proposed Expansion, respectively. The enlarged capital base following completion of the Placements has strengthened the Group's financial position. The Group has fully used the Net Proceeds of the initial Placement for the Group's general working capital purposes (50%) and cash collateralisation of bonding facilities (50%), while the second proceeds remained unutilised. The proposed use of the second proceeds is as follow:

Use of proceeds	Percentage Allocation (%)
Proposed expansion	Approximately 70% - 80%
General working capital of the Group	Approximately 20% - 30%

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

The Group has applied the same accounting policies and methods of computation in the financial information for the current reporting period compared with the last audited financial statements as at 30 June 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

The Group has adopted the new or revised Financial Reporting Standards ("RPS") and the interpretations of FRS that have become effective for the Group with financial period commencing 1 July 2013. The adoption of these new and revised FRSs have no material impact to the result of the Group and of the Company for the year ended 30 June 2014.

6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	GROUP 4Q 2014	GROUP 4Q 2013	GROUP FY 2014	GROUP FY 2013
Profit/(loss) after taxation (AU\$'000)	2,245	525	(11,871)	9,709
Weighted average number of ordinary shares in issue applicable to earnings ('000)	523,917	480,516	523,917	480,516
Fully diluted number of ordinary shares ('000)	527,972	487,845	523,917	487,845
Earnings/(loss) per ordinary share (AU cents)				
- Basic	0.4	0.1	(2.3)	2.0
- Diluted	0.4	0.1	(2.3)	2.0

Basic earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the Company by the weighted average of the number of shares outstanding during the period.

For the purposes of calculating diluted earnings per share, the weighted average number of shares on issue has been adjusted as if all dilutive share options were exercised. The number of shares that could have been issued upon the exercise of all dilutive shares is added to the denominator as the number of shares issued for no consideration. No adjustment is made to the profit/(loss) after taxation.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year

	GROUP		COMPANY	
	30/06/2014	30/06/2013	30/06/2014	30/06/2013
Net assets (AU\$'000)	196,129	173,200	101,205	70,536
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AU cents)	30.3	36.0	15.6	14.7

Net asset value per ordinary share is calculated by dividing the net assets attributable to the entity holders of the Company by the number of issued shares as at 30 June 2014 of 648,276,475 ordinary shares (30 June 2013: 480,856,136).

8. A review of the performance of the Group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

A Income Statement

(i) Revenue

Revenue for the fourth quarter of FY2014 decreased by 38.8% to AU\$84.1 million (4Q FY2013: AU\$137.6 million). Similarly, revenue for FY2014 has decreased by 48.1% to AU\$302.4 million (FY 2013: AU\$582.7 million). This decrease is attributable to the reduced levels of activity in the mining-related sector over the respective periods.

However, the 4Q revenue has increased 15.2% on the preceding 3Q, following the significant downsizing of the business over the past 9 months. This improvement is the result from the Group's implementation of the revised strategy to shift our focus away from construction services to the mining sector and toward the oil & gas sector and long-term asset maintenance contracts. Activity levels are increasing in line with the order intake achieved over the last 9 months.

(ii) Cost of sales and Gross profit

Cost of sales

In line with the abovementioned decrease in activity, the cost of sales for the fourth quarter decreased by 39.2% to AU\$74.8 million (4Q FY2013: AU\$123.1 million) while the cost of sales for FY2014 decreased by 42.7% to AU\$297.5 million (FY2013: AU\$519.2 million).

Gross profit

Gross profit margin for fourth quarter of FY2014 increased to 11.1%, compared with 10.5% during the corresponding period in FY2013.

Gross profit margin for the full year FY2014 decreased from 10.9% during FY2013 to 1.6% during FY2014, with the FY2014 result being negatively affected by the write-downs announced in Q1 FY2014 which resulted from additional costs to complete for projects.

(iii) Other operating income

Other operating income for the fourth quarter of FY2014 was AU\$7.3 million compared to AU\$1.6 million in 4Q FY2013, while for the full year FY2014 it increased to AU\$21.4 million (FY2013: AU\$3.9 million).

The increase is mainly due to a profit recognised on the sale of Singapore property of AU\$14.8 million as well as profits on the sale of fixed assets and scaffolding of AU\$4.2 million.

(iv) Other operating costs, Administrative expenses and Marketing expenses

Other operating costs

Other operating costs for the fourth quarter of FY2014 was AU\$5.0 million (4Q FY2013: AU\$4.0 million).

Other operating costs for FY2014 decreased by 18.1% to AU\$18.0 million (FY2013: AU\$21.9 million). The decrease is in line with the reduction in overheads required as a result of the Group's restructuring and cost-saving initiatives as well as lower activity levels.

Administrative expenses

Administration expenses for the fourth quarter of FY2014 increased slightly by 2.1% to AU\$7.0 million (4Q FY2013: AU\$6.9 million).

Administration expenses for FY2014 increased by 3.7% to AU\$26.0 million (FY2013: AU\$25.1 million). The increase is mainly due to the write off of costs related to the Group's planned listing on the ASX listing of AU\$1.9 million (previously capitalized) following the lapse and subsequent termination of the agreement. Costs associated with its recent refinancing and higher amortization charges relating to the Group's new ERP systems also contributed to the higher expense for the period.

Going forward, the Group has significantly reduced its underlying cost base to reflect the lower activity compared to the previous financial year.

Marketing and distribution expenses

Marketing and distribution expenses for the fourth quarter of FY2014 was AU\$0.2 million (4Q FY2013: AU\$1.0 million).

Marketing and distribution expenses for FY2014 decreased by 20.1% to AU\$2.2 million (FY2013: AU\$2.7 million).

These are in line with business activity.

Share of (loss) / profit of joint venture

There were no joint ventures in operation in FY2014 (FY2013: AU\$0.5 million).

The comparative FY13 data relates to a joint venture relating to a contract which has now been completed. Hence, no share of profit of joint venture has been recognised for the fourth quarter 2014 (4Q FY2013: loss of AU\$1.0 million).

(v) Finance costs

Finance costs for the fourth quarter of FY2014 decreased by 76.5% to AU\$0.6 million (4Q FY2013: AU\$2.4 million), while finance costs for FY2014 decreased by 13.6% to AU\$3.4 million (FY2013: AU\$4.0 million).

The decrease is due to lower hedging costs in respect of loan funding, lower bank guarantee costs and lower interest charges resulting from the lower level of bank loan facilities carried over the period.

(vi) Income tax expense

Please refer to Section 1(a)(ii)C.

(vii) Profit after tax

The profit after tax for the fourth quarter of FY2014 was AU\$2.2 million (4Q FY2013: AU\$0.5 million), resulting from improved operating performance.

For FY2014, the loss after tax was AU\$11.9 million (FY2013: profit of AU\$9.7 million). This should be read in conjunction with notes 8 A (i) to (vi) above.

B Balance Sheet

(i) Shareholders' equity

Total shareholders' equity at 30 June 2014 amounted to AU\$196.1 million, an increase of 13.2% over the previous year (FY2013: AU\$173.2 million) following the placement of shares during the year that provided net proceeds of AU\$35.0 million and offset by the loss after tax for the year of AU\$11.9 million.

(ii) Non-current assets

Total non-current assets amounted to AU\$103.1 million at 30 June 2014, representing a 1.8% decrease from the previous year (FY2013: AU\$104.9 million). The decrease is mainly due to the sale of scaffolding assets and other fixed assets offset by the recognition of deferred tax assets attributable to the tax losses arising in Australia.

(iii) Current assets

Total current assets amounted to AU\$198.2 million at 30 June 2014, representing a 1.3 % decrease compared with the previous year (FY2013: AU\$200.9 million). The decrease is due to the sale of the Singapore property (sold in the 1st quarter with cash flows shortly after the end of the quarter) and lower trade receivables resulting from lower activity level offset by higher cash and cash equivalents due to proceeds from placements.

Trade receivables are split as follows:

	30/06/2014	30/06/2013
	AU\$'000	AU\$'000
Trade receivables		
- Trade receivables	65,454	112,497
	<hr/>	<hr/>
Construction contracts		
- Due from customers	71,617	48,069
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
	137,071	160,566

(iv) **Current liabilities**

Total current liabilities amounted to AU\$84.4 million, representing a 33.8% decrease over the previous year (FY2013: AU\$127.5 million). The decrease is mainly due to the repayment of senior secured debt and overdraft (AU\$30 million) and lower trade payables, other payables and provision as a result of lower activity.

Trade payables are split as follows:

	30/06/2014 AU\$'000	30/06/2013 AU\$'000
Trade payables		
- Trade payables	28,561	33,835
Construction contracts		
- Due to customers	637	8,692
	<u>29,198</u>	<u>42,527</u>

(v) **Non-current liabilities**

Total non-current liabilities has increased to AU\$20.8 million (FY2013: AU\$5.1 million), following the drawdown on the 2.5 year A\$20 million term credit facility completed during the fourth quarter.

9. **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable.

10. **A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

Background Information

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

The Group provides services to the Australian natural resources sector, including oil and gas, LNG, iron ore and other mineral commodities. In addition to its main operations in Perth, Western Australia, it has also established bases in Gladstone, Queensland and Darwin, Northern Territory that target industrial maintenance, LNG and gas opportunities. In South East Asia, the Group provides services to the upstream and downstream oil and gas sectors, continuing to focus on subsea manufacturing and temporary access (scaffolding) services for the upstream sector.

Significant Trends & Competitive Conditions

As anticipated as part of the Group's strategic review, we are capitalizing on increased opportunities arising from LNG construction and maintenance projects that offset the slowdown in the minerals mining sector. We expect that trend will continue over the next 12-24 months.

Further, as capex spend reduces, significant opportunities are arising from the LNG and industrial customers for the provision of maintenance services as the market transitions. The Group's strategy is to focus on expanding its maintenance offering which provides long term recurring revenue.

The Group is also increasing its exposure to the oil and gas industries and the Northern Territory, which have experienced significant growth and development capital in recent years. This is expected to continue as Darwin is established as an oil and gas hub for northern Australia and the surrounding region. This will provide additional opportunities for both onshore and offshore capital and maintenance spending.

We have restructured the Group's activities and this will result in a lower cost base and provide improved quality of earnings.

The Group's work in hand remains strong at the value of AU\$375 million as of 28 August 2014.

Karara Mining Limited ("KML") update

The action in the Supreme Court of Western Australia by the Company's wholly-owned subsidiary, AGC Industries Pty Ltd ("AGC") and KML remains ongoing.

Events occurring after the reporting period

On 22 July 2014, the Company announced that it has entered into a sale and purchase agreement with Ezion Holdings Limited (the "Vendor", together with its subsidiaries, the "Vendor Group"), pursuant to which the Vendor shall sell and the Company shall purchase 100% of the issued and paid up share capital of Ezion Offshore Logistics Hub Pte Ltd ("EOLH") and 90% of the issued and paid up share capital of Teras Australia Pty Ltd for an aggregate consideration of S\$55 million (the "Proposed Acquisition").

The Group believes that the Proposed Acquisition will enhance the Group's capacity to provide integrated delivery capabilities, covering all components of the Oil & Gas asset supply chain, including the fabrication and manufacturing of equipment, painting and insulation of vessels, structural, mechanical and piping ("SMP") construction services, maintenance, and marine logistics. Notice of required Extraordinary General Meeting will be provided in due course.



This release contains certain statements that are not statements of historical fact, i.e. forward looking statements. Readers can identify some of these statements by forward looking terms such as “expect”, “believe”, “plan”, “intend”, “estimate”, “anticipate”, “may”, “will”, “would”, “could”, or similar words. However, you should note that these words are not the exclusive means of identifying forward looking statements. Forward looking statements are made based on current expectations, projections and assumptions about future events. Although AusGroup believes these expectations, projections and assumptions are reasonable at the time of making them, these forward looking statements are subject to risks (known and unknown), uncertainties and certain assumptions about AusGroup, its business operations, and the environment it operates in. Actual future performance, outcomes and results may therefore differ materially from those expressed in the forward looking statements. Representative examples of these risk factors include (without limitation) general industry and economic conditions, availability of suitably skilled workers, interest rate movements, cost of capital and capital availability, competition from other companies, shifts in customer demands, changes in operating expenses , including employee wages, benefits and training and government and public policy changes. Readers are cautioned not to place undue reliance on these forward looking statements, which are based on current view of management on future events.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

None

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended.

13. IPT Mandate

No mandate has been obtained from shareholders for Interested Person Transactions.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FOURTH QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2014

Company Registration No. 200413014R
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14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

2014	Projects	Fabrication & Manufacturing	Integrated Services	Corporate / Unallocated	Elimination	Total
	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
REVENUE						
Revenue from external customers	33,163	129,578	139,706	-	-	302,447
Inter-segment revenues	6,171	-	4,559	-	(10,730)	-
Total	39,334	129,578	144,265	-	(10,730)	302,447
RESULTS						
Adjusted EBITDA	(19,078)	(6,616)	9,188	10,235	-	(6,271)
Depreciation and amortisation	(1,864)	(2,870)	(4,700)	(4,847)	-	(14,281)
Interest income	755	94	129	11,909	(12,145)	742
Interest expense	(130)	(3,344)	(1,131)	(10,982)	12,145	(3,442)
(Loss)/profit before tax	(20,317)	(12,736)	3,486	6,315	-	(23,252)
ASSETS						
Reportable segment assets	32,784	96,418	105,433	66,668	-	301,303
Additions to non-current assets (other than financial assets and deferred tax)	55	2,318	1,418	1,627	-	5,418
investment in joint venture	117	-	-	-	-	117
LIABILITIES						
Reportable segment liabilities	5,596	18,530	25,886	55,162	-	105,174

Geographical segments

2014	Revenue		Segment Assets		Non-current Assets	
	AU\$'000	%	AU\$'000	%	AU\$'000	%
Australia	248,120	82%	232,107	77%	62,463	72%
Singapore	40,703	13%	63,649	21%	24,169	28%
Thailand	13,624	5%	5,547	2%	71	0%
	302,447		301,303		86,703	

The Group's wholly-owned Australian entities have implemented the tax consolidation legislation. As a consequence, the entities are taxed as a single entity and deferred tax assets and liabilities of these entities are set of in the consolidated financial statements. The deferred tax assets and liabilities relate to the tax consolidated group as a whole and are not treated as assets and liabilities belonging to the individual segments but as unallocated assets and liabilities.

Date of Announcement - 28 August, 2014



FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE
FOURTH QUARTER AND TWELVE MONTHS ENDED 30 JUNE 2014

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2013	Projects	Fabrication & Manufacturing	Integrated Services	Corporate / Unallocated	Elimination	Total
	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
REVENUE						
Revenue from external customers	267,891	154,709	160,106	-	-	582,706
Inter-segment revenues	9,957	539	3,392	-	(13,888)	-
Total	277,848	155,248	163,498	-	(13,888)	582,706
RESULTS						
Adjusted EBITDA	20,407	8,454	1,100	2,584	-	32,545
Depreciation and amortisation	(2,732)	(3,463)	(5,821)	(3,402)	-	(15,418)
Share of profit of joint venture	524	-	-	-	-	524
Interest income	1,800	-	1,034	7,621	(9,839)	616
Interest expense	(74)	(3,888)	(1,362)	(8,497)	9,839	(3,982)
Profit / (Loss) before tax	19,925	1,103	(5,049)	(1,694)	-	14,285
ASSETS						
Reportable segment assets	80,351	111,315	91,112	23,013	-	305,791
Additions to non-current assets (other than financial assets and deferred tax)	342	1,154	6,158	7,635	-	15,289
Investment in joint venture	1,012	-	-	-	-	1,012
LIABILITIES						
Reportable segment liabilities	21,303	29,595	27,733	53,960	-	132,591

Geographical Segments

2013	Revenue		Segment Assets		Non-current Assets	
	AU\$'000	%	AU\$'000	%	AU\$'000	%
Australia	537,122	92%	220,498	72%	73,365	71%
Singapore	39,363	7%	81,110	27%	29,844	29%
Thailand	6,221	1%	4,183	1%	65	0%
	582,706		305,791		103,274	

Basis for segments

Management has determined the operating segments based on the reports reviewed by the Management Executive Committee that are used to make strategic decisions. The Management Executive Committee comprises the Chief Executive Officer, the Chief Financial Officer, Executive General Managers (Operations, Projects and Group Services) and Group Managers (People Capital, Health, Safety, Sustainability and Quality (HSSQ), Strategy and Development).

The Management Executive Committee considers the business from both a business segment and geographic perspective. Geographically, management manages and monitors the business in the three primary geographic areas: Australia, Singapore and Thailand. Geographic locations provide a range of products and services through fabrication, construction and integrated mining services. Inter-segment revenue transactions are performed on an arms-length basis and eliminated on consolidation. Other services included within the Group are investment holding and the provision of support services. The results of these operations are included in the “others / corporate” column. The Management Executive Committee assesses the performance of the operating segment based on a measure of earnings before interest, tax, depreciation, amortisation and impairment (“adjusted EBITDA and impairment”).

Segment assets reconciliation

Reportable segments’ assets are reconciled to total assets as follows:

	2014	2013
	AU\$'000	AU\$'000
Segment assets for reportable segments	234,635	282,778
Unallocated:		
Cash and cash equivalents	35,901	2,529
Other receivables and prepayments	3,626	3,314
Property, plant and equipment	1,568	3,761
Intangible asset	7,498	10,462
Deferred tax assets and current tax recoverable (including set off of deferred tax pursuant to set-off provisions)	18,075	2,947
Total assets	301,303	305,791

The amounts provided to the Management Executive Committee with respect to total assets are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Management Executive Committee monitors the property, plant and equipment, intangible assets, inventories and receivables attributable to each segment.

Segment liabilities reconciliation

Reportable segments' liabilities are reconciled to total liabilities as follows:

	2014	2013
	AU\$'000	AU\$'000
Segment liabilities for reportable segments	50,012	78,631
Unallocated:		
Bank overdrafts	-	2,970
Trade payables	5,017	3,178
Other payables	22,792	22,621
Borrowings	19,630	23,043
Accruals for other liabilities and charges	3,863	6,599
Deferred tax liabilities and current tax payable (including set off of deferred tax pursuant to set-off provisions)	3,860	(4,451)
Total liabilities	105,174	132,591

The amounts provided to the Management Executive Committee with respect to total liabilities are measured in a manner consistent with that of the financial statements. For the purposes of monitoring segment performance and allocating resources between segments, the Management Executive Committee monitors the trade payables, other payables, borrowings and accruals attributable to each segment.

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

For the year ended 30 June 2014 the Projects segment contributed 9.4% (FY2013: 46.0%) of the Group's turnover, Fabrication and Manufacturing segment contribution was 42.8% of the Group's revenue (FY2013: 26.6%) and Integrated Services increased its contribution to the Group's revenue to 47.8% (FY2013: 27.4%).

Australian revenue accounted for 82% of Group turnover (FY2013: 92%) whilst Singapore and Thailand made up the remaining 18% (FY2013: 8%). The Australian business was impacted by decreased activity in the resource sector. This was a result of major resource companies scaling back capital expenditure.

16. A breakdown of sales as follows:

	FY 2014	FY 2013	% increase
	AU\$'000	AU\$'000	/ (decrease)
Revenue reported for first half year	145,255	306,797	-53%
Net profit/(loss) after tax for first half year	(12,820)	9,079	-241%
Revenue reported for second half year	157,192	275,909	-43%
Net profit/(loss) after tax for second half year	949	630	51%

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY2014 Proposed	FY2013 Paid
Final one-tier tax exempt dividend on ordinary shares (S\$'000)	<u>Nil</u>	<u>Nil</u>
Special one-tier tax exempt dividend on ordinary shares (S\$'000)	<u>Nil</u>	<u>Nil</u>

18. Person occupying managerial position

Pursuant to Rule 704(13) of the Listing Manual, the following is the only person occupying a managerial position who is a relative of a director, chief executive officer and/or substantial shareholder of the Company:

Name	Age	Family relationship with any and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Matthew Kenny	37	Son of Stuart Maxwell Kenny (Managing Director and Chief Executive Officer)	Commercial Manager. Mr. Matthew Kenny was appointed to this role in June 2011 and employed by the group since November 2006.	None.

ON BEHALF OF THE BOARD

Dr Chew Kia Ngee
Chairman

Stuart Maxwell Kenny
Managing Director and Chief Executive Officer

28 August 2014