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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		+ / (-) %
	2Q 2015 AU\$'000	2Q 2014 AU\$'000		HY 2015 AU\$'000	HY 2014 AU\$'000	
Revenue	119,416	68,020	75.6	249,949	145,255	72.1
Cost of sales	(106,284)	(60,232)	76.5	(223,804)	(158,358)	41.3
Gross profit/(loss)	13,132	7,788	68.6	26,145	(13,103)	(299.5)
Gross margin	11.0%	11.5%		10.5%	-9.0%	
Other operating income	592	2,851	(79.2)	1,399	13,256	(89.4)
Other operating costs	(5,113)	(4,422)	15.6	(10,630)	(10,107)	5.2
Administrative expenses	(4,959)	(5,764)	(14.0)	(9,540)	(12,437)	(23.3)
Marketing and distribution expenses	(368)	(375)	(1.8)	(868)	(1,097)	(20.9)
Profit/(loss) from operations	3,284	78	N.M.	6,506	(23,488)	(127.7)
Finance costs	(1,224)	(1,024)	19.5	(2,048)	(2,297)	(10.9)
Profit/(loss) before income tax	2,060	(946)	(317.8)	4,458	(25,785)	(117.3)
Income tax (expense)/benefit	(990)	3,239	(130.6)	(558)	12,965	(104.3)
Net profit/(loss) for the period	1,070	2,293	(53.3)	3,900	(12,820)	(130.4)
Net profit/(loss) %	0.9%	3.4%		1.6%	-8.8%	
Profit/(loss) attribute to:						
Owners of the Company	920	2,293	(59.9)	3,750	(12,820)	(129.3)
Non-controlling interest	150	-	N.M.	150	-	N.M.
	1,070	2,293	(53.3)	3,900	(12,820)	(130.4)
Earnings/(loss) per ordinary share attributable to equity holders of the Company (cents)						
- basic	0.2	0.5	(65.4)	0.6	(2.7)	(122.6)
- diluted	0.2	0.5	(68.0)	0.6	(2.6)	(121.6)

N.M. - not meaningful

(i) CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME/(LOSS) (CONTINUED)

	GROUP		+ / (-) %	GROUP		+ / (-) %
	2Q 2015 AU\$'000	2Q 2014 AU\$'000		HY 2015 AU\$'000	HY 2014 AU\$'000	
Profit/(loss) for the period	1,070	2,293	(53.3)	3,900	(12,820)	(130.4)
Items that may be reclassified subsequently to profit or loss:						
Currency translation differences arising from consolidation	(999)	976	(202.3)	1,130	1,036	9.1
Other comprehensive (loss)/income for the period	(999)	976	(202.3)	1,130	1,036	9.1
Total comprehensive income/(loss) for the period	71	3,269	(97.8)	5,030	(11,784)	(142.7)
Total comprehensive income/(loss) attribute to:						
Owners of the Company	(29)	3,269	(100.9)	4,930	(11,784)	(141.8)
Non-controlling interest	100	-	N.M.	100	-	N.M.
	71	3,269	(97.8)	5,030	(11,784)	(142.7)

(ii) NOTES TO CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

A. PROFIT/(LOSS) FROM OPERATIONS

The following items have been included in determining the profit/(loss) before taxation

	GROUP		+ / (-) %	GROUP		+ / (-) %
	2Q 2015 AU\$'000	2Q 2014 AU\$'000		HY 2015 AU\$'000	HY 2014 AU\$'000	
Other operating income						
Interest income	225	320	(29.9)	412	415	(0.8)
Profit on disposal of property, plant and equipment	261	1,603	(83.7)	687	11,785	(94.2)
Sundry income	171	926	(81.6)	336	1,098	(69.4)
Foreign exchange (loss) / income	(65)	2	N.M.	(36)	(43)	(16.6)
Total other operating income	592	2,851	(79.3)	1,399	13,255	(89.4)
Amortisation and Depreciation						
Depreciation of property, plant & equipment included in cost of sales	2,099	2,477	(15.3)	4,189	5,451	(23.1)
Amortisation of intangible assets included in cost of sales	153	134	14.1	301	265	13.6
Depreciation of property, plant & equipment included in administrative expenses	192	247	(22.1)	370	522	(29.1)
Amortisation of intangible assets included in administrative expenses	715	802	(10.9)	1,491	1,599	(6.7)
Total Amortisation and Depreciation	3,159	3,660	(13.7)	6,351	7,837	(19.0)



	GROUP		+ / (-) %	GROUP		+ / (-) %
	2Q 2015 AU\$'000	2Q 2014 AU\$'000		HY 2015 AU\$'000	HY 2014 AU\$'000	
Employee share and share option scheme expense	221	(71)	N.M.	730	(20)	N.M.
Impairment of trade receivables	35	20	74.6	35	56	(38.5)
Impairment loss on plant and equipment	200	-	N.M.	200	-	N.M.

B. FINANCE COSTS

	GROUP		+ / (-) %	GROUP		+ / (-) %
	2Q 2015 AU\$'000	2Q 2014 AU\$'000		HY 2015 AU\$'000	HY 2014 AU\$'000	
Bank loans	1,212	816	48.6	1,947	1,764	10.3
Bank guarantee fees	(6)	147	(103.8)	55	229	(75.8)
Unwinding of earn out payable	3	31	(90.2)	10	62	(84.5)
Hedging costs	-	12	(100.0)	-	192	(100.0)
Finance leases and hire purchase	15	18	(18.4)	36	51	(28.3)
Total Finance costs	1,224	1,024	19.5	2,048	2,297	(10.9)

C. INCOME TAX (EXPENSE)/BENEFIT

	GROUP		+ / (-) %	GROUP		+ / (-) %
	2Q 2015 AU\$'000	2Q 2014 AU\$'000		HY 2015 AU\$'000	HY 2014 AU\$'000	
Profit/(loss) before income tax	2,060	(946)	(317.8)	4,458	(25,785)	(117.3)
Prima facie taxation calculated at applicable rate on profit before income tax	(856)	399	(314.6)	(1,484)	9,038	(116.4)
Tax effect of (non-deductible items)/non-assessable	(530)	(9)	N.M.	(1,001)	1,077	(193.0)
Research and development tax incentives	396	2,850	(86.1)	1,927	2,850	(32.4)
Total income tax (expense)/benefit	(990)	3,239	(130.6)	(558)	12,965	(104.3)
Income tax expense percentage (%)	-48.1%	342.6%		-12.5%	50.3%	



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 31/12/2014 AU\$'000	Group As at 30/06/2014 AU\$'000	Company As at 31/12/2014 AU\$'000	Company As at 30/06/2014 AU\$'000
CURRENT ASSETS				
Cash and cash equivalents	62,719	40,845	18,472	16,519
Trade receivables	172,929	137,071	-	-
Other receivables and prepayments	12,548	14,031	642	516
Inventories	6,727	6,146	-	-
Due from subsidiaries	-	-	-	425
Other assets	117	117	-	-
Total current assets	255,040	198,210	19,114	17,460
NON-CURRENT ASSETS				
Property, plant and equipment	180,574	60,858	-	-
Goodwill	16,924	16,405	-	-
Intangible assets	7,984	7,987	-	-
Other receivables and prepayments	6,282	1,453	-	-
Due from subsidiaries	-	-	110,827	23,611
Other assets	-	-	106,466	61,465
Deferred income tax assets	18,387	16,390	-	-
Total non-current assets	230,151	103,093	217,293	85,076
Total assets	485,191	301,303	236,407	102,536
CURRENT LIABILITIES				
Trade payables	33,361	29,198	-	-
Other payables	47,601	41,235	923	1,331
Borrowings	3,830	1,916	1,513	-
Accruals for other liabilities and charges	12,941	10,024	-	-
Current income tax liabilities	1,932	2,025	137	-
Total current liabilities	99,665	84,398	2,573	1,331
NON-CURRENT LIABILITIES				
Deferred income tax liabilities	1,969	1,835	-	-
Other payables	-	-	-	-
Borrowings	151,908	17,713	99,060	-
Accruals for other liabilities and charges	1,370	1,228	-	-
Total non-current liabilities	155,247	20,776	99,060	-
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	128,040	99,599	128,040	99,599
Capital reserve	(163)	(163)	(163)	(163)
Share option reserve	1,616	886	1,616	886
Foreign currency translation reserve	4,707	3,528	11,060	4,173
Retained earnings	96,029	92,279	(5,779)	(3,290)
Total equity attributable to owners	230,229	196,129	134,774	101,205
Non-controlling interest	50	-	-	-
Total equity	230,279	196,129	134,774	101,205
Total liabilities and equity	485,191	301,303	236,407	102,536



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

	31/12/2014		30/06/2014	
	AU\$'000	AU\$'000	AU\$'000	AU\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	3,830	-	1,916	-
Amount repayable after one year	17,732	134,176	17,713	-

On 20 October 2014, the Company announced that AusGroup Limited (the "issuer") has issued S\$110,000,000 7.45 per cent. Notes due 2016 (the "Series 001 Notes") pursuant to the S\$350,000,000 Multicurrency Debt Issuance Programme (the "Programme") established by the Issuer on 22 September 2014. DBS Bank Ltd., as sole arranger of the Programme, acted as the sole lead manager and bookrunner in relation to the issuance of the Series 001 Notes. The Series 001 Notes bear interest at a fixed rate of 7.45 per cent. per annum payable semi-annually in arrears and, unless previously redeemed or cancelled, will mature on 20 October 2016.

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.

Under this facility, 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 31 December 2014, the Group met all of these financial covenants. As at 31 December 2014, the Group has AU\$19.0 million outstanding on the syndicated facility.

DBS Bank Ltd

A deed of charge executed by AGC Australia incorporating an all-monies charge over the fixed deposit account maintained by AGC Australia with DBS Bank Ltd ("The Lender") for an amount not less than AU\$25.0 million. A fixed and floating charge executed by AusGroup Ltd, AusGroup Singapore and Modern Access Services in favour of The Lender.

Under this facility, AusGroup Limited is required under the Facility Agreement to maintain in relation to the Consolidated Group a maximum gearing ratio as well as a minimum net worth (net asset) balance. As at 31 December 2014 the Group met all of these financial covenants. As at 31 December 2014, the Group has utilised AU\$62.7 million of the DBS 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 2Q 2015 AU\$'000	GROUP 2Q 2014 AU\$'000	GROUP HY 2015 AU\$'000	GROUP HY 2014 AU\$'000
Cash flows from operating activities				
Profit/(loss) before taxation	2,060	(946)	4,458	(25,785)
Add / (less) adjustments for:				
Depreciation of property, plant and equipment	2,291	2,725	4,559	5,973
Amortisation of intangible assets	868	936	1,792	1,864
Employee share and share option scheme expense	221	(71)	730	(20)
Impairment loss on property, plant and equipment	200	-	200	-
Impairment loss on trade receivables	35	37	35	56
Profit on disposal of property, plant and equipment	(261)	(1,603)	(687)	(11,785)
Interest income	(225)	(320)	(412)	(415)
Finance costs	1,224	1,024	2,048	2,297
Deferred tax assets	(1,323)	-	(6,423)	-
Operating cash flows before working capital changes	5,090	1,781	6,300	(27,814)
Changes in operating assets and liabilities				
<i>Changes in operating assets and liabilities, net of effects from acquisition of business</i>				
Trade receivables	(4,078)	9,758	(29,881)	73,397
Other receivables and prepayments	(4,691)	(7,474)	(2,732)	(10,218)
Inventories	(1,471)	(619)	(581)	(998)
Trade payables	(16,064)	(2,733)	(7,757)	(12,562)
Accruals and other payables	(4,536)	(10,367)	5,979	(9,195)
Cash (used in)/generated from operations	(25,750)	(9,655)	(28,672)	12,609
Interest paid	(783)	(993)	(1,601)	(2,236)
Interest received	225	320	412	415
Income tax received/(paid)	9,548	50	10,319	26
Net cash (used in)/generated from operating activities	(16,760)	(10,277)	(19,542)	10,814
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	466	37,474	1,853	41,611
Purchase of property, plant and equipment	(14,500)	(237)	(16,570)	(1,230)
Net cash outflow on acquisition of business	-	(1,303)	-	-
Net cash outflow on acquisition of subsidiaries	(12,189)	-	(12,189)	-
Decrease/(Increase) in interest in joint venture	-	160	-	844
Purchase of intangible assets	(98)	27	(1,789)	(743)
Net cash (used in)/generated from investing activities	(26,321)	36,122	(28,695)	40,482



1(c) Consolidated Statement of Cash Flows (continued)	GROUP 2Q 2015 AU\$'000	GROUP 2Q 2014 AU\$'000	GROUP HY 2015 AU\$'000	GROUP HY 2014 AU\$'000
Cash flows from financing activities				
Payment of share issue costs	(122)	-	(122)	-
Repayment of finance leases	(266)	(921)	(556)	(921)
Proceeds from borrowings	102,405	-	104,180	-
Repayment of borrowings	(34,000)	(20,307)	(34,000)	(28,276)
Net cash generated from/(used in) financing activities	68,017	(21,228)	69,502	(29,197)
Net increase in cash and cash equivalents	24,936	4,617	21,265	22,099
Effect of exchange rate changes	(209)	817	609	545
Movement in cash and cash equivalents for the period	24,727	5,434	21,874	22,644
Cash and cash equivalents at beginning of period	37,992	25,962	40,845	8,752
Cash and cash equivalents at end of period	62,719	31,396	62,719	31,396

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	CAPITAL RESERVE	SHARE BASED PAYMENT RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL	NON- CONTROLLING INTEREST	TOTAL EQUITY
	AU\$'000	AU\$ '000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
Group								
HY 2015								
Balance as at 1 July 2014	99,599	(163)	886	3,528	92,279	196,129	-	196,129
Total comprehensive income for the period ended 30 September 2014	-	-	-	2,129	2,830	4,959	-	4,959
Share based payment reserve	-	-	509	-	-	509	-	509
Balance as at 30 September 2014	99,599	(163)	1,395	5,657	95,109	201,597	-	201,597
Total comprehensive (loss)/income for the period ended 31 December 2014	-	-	-	(950)	920	(30)	100	70
Acquisition of subsidiaries	28,441	-	-	-	-	28,441	-	28,441
Additional non-controlling interests arising on the acquisition of subsidiaries	-	-	-	-	-	-	(50)	(50)
Share based payment reserve	-	-	221	-	-	221	-	221
Balance as at 31 December 2014	128,040	(163)	1,616	4,707	96,029	230,229	50	230,279
HY 2014								
Balance as at 1 July 2013	64,309	(163)	1,052	3,852	104,150	173,200	-	173,200
Total comprehensive income/(loss) for the period ended 30 September 2013	-	-	-	60	(15,115)	(15,055)	-	(15,055)
Share based payment reserve	-	-	51	-	-	51	-	51
Balance as at 30 September 2013	64,309	(163)	1,103	3,912	89,035	158,196	-	158,196
Total comprehensive income for the period ended 31 December 2013	-	-	-	977	2,293	3,270	-	3,270
Share based payment reserve	-	-	(71)	-	-	(71)	-	(71)
Balance as at 31 December 2013	64,309	(163)	1,032	4,889	91,328	161,395	-	161,395

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

	SHARE CAPITAL	CAPITAL RESERVE	SHARE BASED PAYMENT RESERVE	FOREIGN CURRENCY TRANSLATION RESERVE	RETAINED EARNINGS	TOTAL
Company	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000	AU\$'000
HY 2015						
Balance as at 1 July 2014	99,599	(163)	886	4,173	(3,290)	101,205
Total comprehensive income/(loss) for the period ended 30 September 2014	-	-	-	3,975	(604)	3,371
Share based payment reserve	-	-	509	-	-	509
Balance as at 30 September 2014	99,599	(163)	1,395	8,148	(3,894)	105,085
Total comprehensive income/(loss) for the period to 31 December 2014	-	-	-	2,912	(1,885)	1,027
Acquisition of a subsidiary	28,441	-	-	-	-	28,441
Share based payment reserve	-	-	221	-	-	221
Balance as at 31 December 2014	128,040	(163)	1,616	11,060	(5,779)	134,774
HY 2014						
Balance as at 1 July 2013	64,309	(163)	1,052	5,018	320	70,536
Total comprehensive income for the period ended 30 September 2013	-	-	-	30	472	502
Share based payment reserve	-	-	51	-	-	51
Balance as at 30 September 2013	64,309	(163)	1,103	5,048	792	71,089
Total comprehensive income/(loss) for the period to 31 December 2013	-	-	-	1,400	(286)	1,114
Share based payment reserve	-	-	(71)	-	-	(71)
Balance as at 31 December 2013	64,309	(163)	1,032	6,448	506	72,132

- 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

	31 December 2014	30 September 2014
Number of issued shares		
Opening balance	648,276,475	648,276,475
Issuance of shares	92,155,541	-
Closing balance	<u>740,432,016</u>	<u>648,276,475</u>

As at 31 December 2014 there were outstanding options for 1,674,000 (31 December 2013: 2,008,000) unissued ordinary shares under the employee share option scheme. All of these options have vested but have not yet been exercised.

As at 31 December 2014 there were 2,561,473 (31 December 2013: 2,763,884) outstanding share rights. Of these rights 157,353 have met the performance criteria to vest and will be issued as ordinary shares for nil consideration subject to board approval in due course. The remaining rights may in future potentially be converted to shares under the employee share right scheme.

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 31 December 2014 and 31 December 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

	31 December 2014	30 June 2014
Number of issued shares	740,432,016	648,276,475

The Company announced on 7 November that the Company has completed the acquisition of 100% of the issued and paid up share capital of Ezion Offshore Logistics Hub Pte Ltd and 90% of the issued and paid up share capital of Teras Australia Pty Ltd. The Company has issued and allotted 92,155,541 new fully paid ordinary shares in the capital of the Company to Ezion Holdings Limited. Following the completion of the Proposed Acquisition, the total number of the issued shares in the capital of the Company has increased from 648,276,475 to 740,432,016.

The net proceeds received by the Company of approximately S\$25.2 million from the issuance of 70,000,000 shares pursuant to a placement exercise made on 27 June 2014 have been fully utilized. The following is the summary of the use of proceeds:

Net proceeds disclosed in the announcement dated 27 June 2014	S\$'000 25,244
Less:	
General working capital of the Group	6,900
Proposed expansion	18,344
Balance proceeds as at 31 December 2014	<u>-</u>

The above use of proceeds is in accordance with the intended use as stated in the announcement dated 9 April 2014 in relation to the placement of 70,000,000 new shares.

- 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 2014.

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

None.

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

Earnings per share

	GROUP 2Q 2015 AU\$'000	GROUP 2Q 2014 AU\$'000	GROUP 6M 2015 AU\$'000	GROUP 6M 2014 AU\$'000
Profit/(loss) after taxation	1,070	2,293	3,900	(12,820)
Weighted average number of ordinary shares in issue applicable to earnings ('000)	703,369	481,025	675,823	481,025
Fully diluted number of ordinary shares ('000)	706,060	484,094	683,271	484,094
Earnings/(loss) per ordinary share (AU cents)				
- Basic	0.2	0.5	0.6	(2.7)
- Diluted	0.2	0.5	0.6	(2.6)

Basic earnings per share is calculated by dividing the consolidated profit / (loss) 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 and share awards 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 tax.

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	
	31/12/2014 AU\$'000	30/06/2014 AU\$'000	31/12/2014 AU\$'000	30/06/2014 AU\$'000
Net assets	230,229	196,129	134,774	101,205
Net asset value per ordinary share based on issued share capital at the end of the respective periods (AU cents)	31.1	36.0	18.2	14.7

Net asset value per ordinary share is calculated based on 740,432,016 ordinary shares as at 31 December 2014 (30 June 2014: 648,276,475 ordinary shares).

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 Acquisition Completed in November 2014

Pursuant to the acquisition completed in November 2014, whereby the Group had acquired 100% of the issued and paid up share capital of Ezion Offshore Logistics Hub Pte Ltd and 90% of the issued and paid up share capital of Teras Australia Pty Ltd, the assets and liabilities of both companies were consolidated in the Group's statement of financial position as at 31 December 2014. This represents one of the reasons for respective increases in assets and liabilities of the Group as at 31 December 2014, as compared to 30 September 2014. The post-acquisition results were consolidated in the Group's income statement for the period.

The Financial Statements of the Group provisionally reflect accounting for the acquisition of Ezion Offshore Logistics Hub Pte Ltd and Teras Australia Pty Ltd collectively "The Acquisition". The Group is in the process of finalizing purchase price accounting for The Acquisition, which will be completed during the current financial year. Any adjustment from the provisional consolidation will be reflected in the Group's Annual Financial Statements for the year ended 30 June 2015.

B Income Statement

(i) Revenue

Revenue for the second quarter of FY2015 increased by 75.6% to AU\$119.4 million (2Q FY2014: AU\$68.0 million).

Revenue for the first half of 2015 increased by 72.1% to AU\$249.9 million (HY2014: AU\$145.3 million).

This higher underlying activity was as a result of increased activity in maintenance (32% of revenue base), scaffolding projects (27% of revenue base) and revenue contribute from newly acquired subsidiaries.

(ii) Cost of sales and Gross (loss)/profit

Cost of sales

The cost of sales for the second quarter of FY2015 increased by 76.5% to AU\$106.3 million (2Q FY2014: AU\$60.2 million).

The cost of sales for the first half of FY2015 increased by 41.3% to AU\$223.8 million (HY2014: AU\$158.4 million).

The increase is in line with the increase in revenue when adjusted for one-off project losses that were recognised in Q1 FY2014.

Gross profit

Gross margins slightly decreased from 11.5% during the second quarter of FY2014 to 11.0% during the second quarter of FY2015.

Gross margins significantly increased from -9.0% during the first half of FY2014 to 10.5% during the first half of FY2015. The gross profit margin remained within the 10-12% target range when adjusted for one-off project losses that were recognised in Q1 FY2014.

(iii) Other operating income

Other operating income for the second quarter of FY2015 decreased to AU\$0.6 million (2Q FY2014: AU\$2.9 million).

Other operating income for the first half of FY2015 decreased to AU\$1.4 million (HY2014: AU\$13.3 million).

The decrease is primarily due to the one-off nature of the profit from the sale of Singapore property of AU\$8.6 million realized in HY FY2014.

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

Other operating costs

Other operating costs for the second quarter of FY2015 increased by 15.6% to AU\$5.1 million (2Q FY2014: AU\$4.4 million). The increase is in line with the addition in overheads required as a result of higher activity levels.

Other operating costs for the first half of FY2015 increased by 5.2% to AU\$10.6 million (HY2014: AU\$10.1 million). The increase was due to the reasons stated above offset by lower staffing levels following restructure during FY2014 and including of new businesses.

Administrative expenses

Administration expenses for the second quarter of FY2015 decreased by 14% to AU\$4.9 million (2Q FY2014: AU\$5.8 million). The decrease reflects the lower staffing levels as a result of restructure during FY2014.

Administration expenses for the first half of FY2015 decreased by 23.3% to AU\$9.5 million (HY2014: AU\$12.4 million). The decrease is mainly due to the reason stated above.

Marketing and distribution expenses

Marketing and distribution expenses for the second quarter of FY2015 decreased by 1.8% to AU\$0.4 million (2Q FY2014: AU\$0.4 million).

Marketing and distribution expenses for the first half of FY2015 decreased by 20.9% to AU\$0.9 million (HY2014: AU\$1.1 million). The decrease primarily reflects lower staffing levels.

Amortisation and depreciation expenses

Amortisation and depreciation expenses for the second quarter of FY2015 decreased by 13.7% to AU\$3.2 million (2Q FY2014: AU\$3.7 million).

Amortisation and depreciation expenses for the first half of FY2015 decreased by 19.0% to AU\$6.4 million (HY2014: AU\$7.8 million). The decrease primarily reflects lower carrying amount of property, plant and equipment during the period.

(v) Finance costs

Finance costs for the second quarter of FY2015 increased to AU\$1.2 million (2Q FY2014: AU\$1.0 million). This increase is mainly attributable to higher borrowings in Q2 FY2015.

Finance costs for the first half of FY2015 decreased to AU\$2.0 million (HY2014: AU\$2.3 million). The prior year contained a significant interest cost in relation to the refinancing of AusGroup's club bank facility with Australia and New Zealand Banking Group Limited and HSBC Australia Pty Ltd. As for the current year, the interest mainly relates to the SG\$110 million that were issued in the 2nd Quarter.

(vi) **Income tax expense**

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

(vii) **Profit/(Loss) after tax**

The profit after tax for the second quarter of FY2015 was AU\$1.1 million (2Q FY2014: AU\$2.3 million) whilst for the first half of FY2015 it was AU\$3.9 million (HY2014: loss of AU\$12.8 million). The profit for the second quarter of FY2015 is mainly due to improved operating performance when compared to the same period last year and returned to tax paying position. The Group has incurred a number of one off costs in relation to the acquisition that have been expensed during the current period. This should be read in conjunction with notes 8 A (i) to (vi) above.

C Balance Sheet

(i) **Shareholders' Equity**

Total shareholders' equity at 31 December 2014 amounted to AU\$230.3 million, an increase of 17.4% over the previous year (FY2014: AU\$196.1 million). This was due to the profit for the period of AU\$3.9 million and increase in share capital due to the acquisition.

(ii) **Non-current Assets**

Total non-current assets amounted to AU\$230.2 million at 31 December 2014, representing a 123.2% increase over the previous year (FY2014: AU\$103.1 million). The increase is mainly due to the acquisition of Ezion Offshore Logistics Hub Pte Ltd and Teras Australia Pty Ltd.

(iii) **Current Assets**

Total current assets amounted to AU\$255.0 million at 31 December 2014, representing a 28.7% increase compared with the previous year (FY2014: AU\$198.2 million). The increase is due to higher trade receivables and invoicing resulting from increasing revenues during the period.

Trade receivables are split as follows:

	31/12/2014	30/06/2014
	AU\$'000	AU\$'000
Trade receivables		
- Trade receivables	69,058	65,454
	<hr/>	<hr/>
Construction contracts		
- Due from customers	103,871	71,617
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
	172,929	137,071

(iv) **Current Liabilities**

Total current liabilities amounted to AU\$99.7 million, representing a 18.1% increase over the previous year (FY2014: AU\$84.4 million). The increase is mainly due to the higher borrowings, provisions and trade payables.

Trade payables are split as follows:

	31/12/2014	30/06/2014
	AU\$'000	AU\$'000
Trade payables		
- Trade payables	27,606	28,561
	<hr/>	<hr/>
Construction contracts		
- Due to customers	5,755	637
	<hr/>	<hr/>
	<hr/> <hr/>	<hr/> <hr/>
	33,361	29,198

(v) **Non-current Liabilities**

Total non-current liabilities has increased to AU\$155.2 million (FY2014: AU\$20.8 million). The increase is mainly due to higher borrowings.

D Cash Flows

(i) **Operating activities**

Net cash used in operating activities was AU\$16.7 million and AU\$19.5 million in 2Q15 and HY15 respectively. The negative operating cash flows were mainly due to timing difference of the receipts from customer and payment to supplier.

(ii) **Investing activities**

Net cash used in investing activities was AU\$26.3 million and AU\$28.7 million in 2Q15 and HY15 respectively, spent mainly to acquire Ezion Offshore Logistic Hub Pte Ltd and Teras Australia Pty Ltd, purchase of operating equipment and activities related to the development of Port Melville project.

(iii) **Financing activities**

Net cash generated from financing activities was AU\$68.0 million and AU\$69.5 million in 2Q15 and HY15 respectively. The increase were mainly due to the issue of S\$110 million Multicurrency Debt Note to be used for general corporate purposes, including refinancing of borrowings, and financing investments and general working capital of the Issuer and its subsidiaries, offset by repayment of AU\$33 million Australia and New Zealand Banking Group Limited's loan, previously provided to acquired entities.

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

AusGroup is a leading provider of multi-disciplinary services to the oil and gas, mineral resources and infrastructure industries in Australia (Perth, Kwinana, Gladstone, and Darwin) and South-East Asia (Singapore, Thailand, and the Philippines).

The Group enjoys a solid reputation through our ability to provide and integrate a diverse range of services: from fabrication and manufacturing, construction, scaffolding, insulation, painting, refractory, maintenance services and marine services for the sectors it serves.

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.

Significant Trends & Competitive Conditions

Recent market dynamics in the oil sector have clearly created uncertainty, although we have not experienced any impact on either our order book or our pipeline as yet. However we have no doubt that pressures will be brought to bear to continually focus on cost competitiveness. To this end, we are committed to use regained strength and opportunities to drive a fresh review of our operations.

The value of committed projects in the energy sector in Australia remains strong and has been the source of the growth in our Order Book over the last 5 quarters being led by awards in the oil & gas sector. In particular, we are part of some AU\$372 million in work on the Inpex Ichthys LNG facility and actively working on 6 of the major developments in LNG within Australia. Longer term as these projects are completed, we will be well placed to participate in the long-term maintenance contracts that will be required to optimize those long-term production assets. This will add to work we are currently contracted with Woodside under a 3+2 year contract related to their Karratha Life Extension programme, which will both improve the quality of earnings and increase proportion of recurring revenue.

On 7 November 2014, AusGroup completed the acquisition of Ezion Holdings Limited's Australian-based assets that provide port and marine services. This diversification will provide additional recurring revenue while augmenting traditional contracting margins and extending our ability to provide services across an increased segment of the oil & gas supply chain, i.e. marine logistics.

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. Final lodgment of proceedings and evidence expected to be completed by end of March 2015.

Overall

The Group has work in hand to the value of AU\$466.0 million as of 31 December 2014.

The Group expects, from time to time, delays in the finalising of variations around certain types of construction projects under our contractual entitlements. This will create a degree of variability in the Group results from quarter to quarter. The Group's accounting policy is to recognise costs as they are incurred, which may not match revenue from variations, as these have to be negotiated and agreed with clients.

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/recommended, a statement to that effect

Not applicable.

13. IPT Mandate

Name of interested person	Aggregate value of all interested person transactions during second quarter of FY2015 under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of SGX-ST Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of SGX-ST Listing Manual during second quarter of FY2015 (excluding transactions less than \$100,000)
Ezion Holdings Limited	AUD\$363,778*	AUD\$41,139,652**

* Charter of Vessel and reimbursement of expenses paid on behalf by Ezion Holdings Limited

** Acquisition of 100% of the issued and paid up share capital of Ezion Offshore Logistics Hub Pte Ltd and 90% of the issued and paid up share capital of Teras Australia Pty Ltd



14. Negative Assurance pursuant to Rule 705 (5) of the Listing Manual.

To the best of our knowledge, nothing has come to the attention of the board of directors which may render the interim financial statements to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

Stuart Maxwell Kenny
Executive Board Chair, Managing Director and
Chief Executive Officer

Gerard Hutchinson
Executive Director and Chief Financial Officer

9 February 2015