



**SGX/MEDIA RELEASE
For Immediate Release**

Company Registration Number 200413014R
36 Tuas Road, Singapore 638505

Singapore and Australia
11 May 2015

AusGroup FY2015 Quarter 3 Results

AusGroup produces solid performance and increases order book to AU\$498.3m.

Q3 Highlights

- Revenue of AU\$86.9m, up 18.9% against the previous corresponding period in FY2014
- Gross profit of AU\$12.4m for the quarter and AU\$38.5m for the nine months to March 2015
- EBITDA of AU\$7.0m for the quarter and AU\$19.9m for the nine months to March 2015
- NPAT for the quarter of AU\$2.1m (2.4%), including start-up costs for Port & Marine Services business
- Order Book up to AU\$498.3m with partial recognition of Chevron five-year maintenance services contract
- Refinanced and extended debt profile in April 2015 with a new 3 year term facility (US\$20m) and AU\$76.5m Bankers Guarantee facility.

AusGroup Limited ('AGL' or 'AusGroup' or the 'Group') today announced its results for the three months ended 31 March 2015 ('3Q FY2015') and nine months ended 31 March 2015 ('9M FY2015'). This release should be read in conjunction with our SGX Announcement.

Operating performance	3Q 2015 AU\$'000	3Q 2014 AU\$'000	+/(-) %	9M 2015 AU\$'000	9M 2014 AU\$'000	+/(-) %
<i>n.m. – not meaningful</i>						
Revenue	86,861	73,044	18.9	336,810	218,299	54.3
Gross profit	12,403	8,725	42.2	38,548	(4,378)	n.m.
<i>Gross profit margin %</i>	14.3%	11.9%		11.4%	(2.0)%	
Other operating income	1,285	846	51.8	2,683	14,102	(81.0)
Operating expenses	(9,895)	(10,210)	(3.1)	(30,933)	(33,851)	(8.6)
Net profit/(loss) for the period	2,050	(1,294)	(258.5)	5,949	(14,113)	(142.2)
<i>Net Profit margin %</i>	2.4%	(1.8)%	n.m.	1.8%	(6.5)%	n.m.

Revenue for the quarter of AU\$86.9m was up 18.9% against the corresponding period in FY2014. The growth in revenue seen over 1H has continued in the quarter with revenues for 9M FY2015 being \$336.8m, being 54.3% higher than the corresponding period in FY2014. Maintenance services has continued its strong contribution to the 9M FY2015 revenues, contributing AU\$115.2m (or 34% of the Group's Revenue).

Gross profit for the quarter of AU\$12.4m was up 42.2% from the previous corresponding period in FY2014, lifting gross margin to AU\$38.5m for 9M FY2015. The gross profit margin for the quarter exceeded the target range of 10-12% due to the recognition of prior year research and development tax credits during the quarter, following receipt of a tax refund from the Australian Tax Office during the quarter.

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Other operating income for the third quarter of FY2015 was AU\$1.3m, the increase is primarily due to higher interest income and FX gains.

Operating expenses (comprising administrative expenses, marketing and distribution expenses and operating costs) for the third quarter of FY2015 was 3.1% lower than the corresponding period in FY2014 and 8.6% lower for 9M 2015 against the corresponding period in FY2014.

Net profit attributable to equity holders for the third quarter of FY2015 was AU\$2.1 million. This is higher than the corresponding period in FY2014, largely due to the improved performances on scaffolding, maintenance and major projects, combined with the impact of research and development tax credits during the quarter as noted above in the Gross Profit note.

Financial position	31 March 2015 AU\$'000	30 June 2014 AU\$'000	+ / (-) %
Cash & cash equivalents	51,238	40,845	25.4
Total borrowings	161,338	19,629	721.9
Equity	236,228	196,129	20.4
<i>Net gearing %</i>	46.6%	-10.8%	

Cash and cash equivalents for the Group as at 31 March 2015 have decreased to AU\$51.2m (30 June 2014: AU\$40.8m). The decrease was primarily due to the continued capital works programme related to the Port Melville facility, which is expected to be fully commissioned in mid-2015.

Total Borrowings for the Group as at 31 March 2015 have increased to \$161.3m (30 June 2014: AU\$19.6m). The increase was mainly due to the issue of the S\$110m Multicurrency Debt Notes and AU\$35.4m assumed debts from the acquisition of Ezion Offshore Logistics Hub Pte Ltd and Teras Australia Pty Ltd.

Total shareholders' equity as at 31 March 2015 was AU\$236.2m, an increase of 20.4% over the previous year (30 June 2014: AU\$196.1m), due to 9M FY2015 net profit and issue of AU\$28.4m of shares to Ezion in relation to the acquisition of Ezion Offshore Logistics Hub Pte Ltd and Teras Australia Pty Ltd.

Revenue pipeline	Q3 FY 2015 AU\$m	FY 2014 AU\$m
Order intake	120.5	421.4
Work-in-hand	498.3	374.3

Order intake for the third quarter of FY2015 was AU\$120.5m, predominately emanating from the Maintenance business which included the award of a five-year maintenance services contract with Chevron Australia Pty Ltd.

Work-in-hand for the Group as at 31 March 2015 was AU\$498.3m, up from AU\$374.3m at 30 June 2014, with the partial recognition of award from Chevron equivalent to 1-year of initial revenues.



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Summary

Managing Director Gerard Hutchinson said: "I'm pleased to report the Group's net profit continued to build on the progress made in the first half of FY2015. We are especially pleased with the progress being made with our strategy as we continue to focus on building a long-term and recurring revenue base to develop sustainable revenue growth. This was underpinned by the Maintenance business following the award of the five year maintenance services contract with Chevron Australia Pty Ltd. The Order Book has continued to grow during Q3 with Order Intake significantly outstripping revenue burn in our legacy business of Engineering Services."

Mr Hutchinson said further: "The construction of the port and fuel facility at Port Melville remain on track for completion in mid-2015, and following the award of a number of vessel charter agreements it is now expected that the Port & Marine Services business will be in a position to commence positive contribution in Q1 FY2016."

Background Information

AusGroup Limited provides an integrated range of engineering and port and marine logistics services to the oil & gas, LNG, mining and industrial sectors in Australia and South East Asia. Subsidiaries within the Group specialise in asset maintenance, construction, fabrication, industrial coatings, marine services, refractory and access services across Western Australia, the Northern Territory, Queensland, Singapore and Thailand. The Group's growth is directly linked to the provision of services to clients in these sectors.

The Group wishes to inform that an investor briefing pack is also available on its 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 Chris Dargie
T +61 8 6210 4500 | E chris.dargie@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