



CIVMEC LIMITED

(Company Registration No: 201011837H)

**FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE
THIRD QUARTER ENDED 31 MARCH 2015**



PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2, Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENT

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

INCOME STATEMENT

	Group			Group		
	Q3 FY2015 S\$'000	Q3 FY2014 S\$'000	+ / (-) %	9M FY2015 S\$'000	9M FY2014 S\$'000	+ / (-) %
Sales revenue	87,860	117,046	(24.9)	384,449	266,991	44.0
Cost of sales	(76,124)	(100,982)	(24.6)	(336,408)	(222,810)	51.0
Gross profit	11,736	16,064	(26.9)	48,041	44,181	8.7
Other income	253	1,233	(79.5)	755	2,058	(63.3)
Administrative expenses	(4,911)	(4,495)	9.3	(16,163)	(13,504)	19.7
Finance costs	(411)	(436)	(5.8)	(1,668)	(1,249)	33.6
Profit before tax	6,667	12,366	(46.1)	30,965	31,486	(1.7)
Income tax expense	(1,347)	(3,131)	(57.0)	(7,205)	(7,993)	(9.9)
Profit for the period	5,320	9,235	(42.4)	23,760	23,493	1.1
<u>Profit attributable to:</u>						
Owners of the Company	5,320	9,235	(42.4)	23,760	23,493	1.1
Non-controlling interest	0	0		0	0	
	5,320	9,235	(42.4)	23,760	23,493	1.1
Earnings per share attributable to equity holders of the Company (cents per share):						
• Basic	1.06	1.85		4.74	4.69	
• Diluted	1.05	1.82		4.69	4.65	



1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd):

STATEMENT OF COMPREHENSIVE INCOME

	Group			Group		
	Q3 FY2015 S\$'000	Q3 FY2014 S\$'000	+ / (-) %	9M FY2015 S\$'000	9M FY2014 S\$'000	+ / (-) %
Profit for the period	5,320	9,235	(42.4)	23,760	23,493	1.1
<u>Other comprehensive income:</u>						
Exchange differences on re-translation from functional currency to presentation currency	(3,105)	4,059	(176.5)	(15,976)	659	(2,524.4)
Total comprehensive income for the period	2,215	13,294	(83.3)	7,784	24,152	(67.8)
<u>Total comprehensive income attributable to:</u>						
Owners of the Company	2,215	13,294	(83.3)	7,784	24,152	(67.8)
Non-controlling interest	0	0		0	0	
	2,215	13,294	(83.3)	7,784	24,152	(67.8)

Note

For the income statement the Australian dollar is translated at average rates as prescribed below:

	March 2015	March 2014
A\$	1.1191	1.1518



1(a)(ii) Notes to the Income Statement and Consolidated Statement of Comprehensive Income.

A. Profit before income tax

The following items have been included in determining the profit before income tax:

	Group			Group		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Gain/(Loss) on disposal of property, plant and equipment	82	9	808.4	(1)	(178)	(99.2)
Interest income on bank balances	53	201	(73.5)	342	536	(36.2)
Share in profit of joint venture	0	0		0	462	(100.0)
Sundry revenue	103	0		255	11	2,214.9

1(a)(ii) Notes to Consolidated Statement of Comprehensive Income (cont'd).

B. Finance costs

	Group			Group		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Bank bills	84	63	34.0	507	207	145.1
Finance leases	314	363	(13.5)	1,078	1,008	6.9
Others	13	10	24.8	83	34	144.6
Total Finance Costs	411	436	(5.8)	1,668	1,249	33.6

C. Depreciation expenses

	Group			Group		
	Q3	Q3	+ / (-)	9M	9M	+ / (-)
	FY2015	FY2014		FY2015	FY2014	
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
Included in Cost of sales	1,829	1,535	19.1	5,527	4,191	31.9
Included in Administrative expenses	172	122	40.9	521	317	64.4
Total Depreciation	2,001	1,657	20.7	6,048	4,508	34.2

1(b)(i) Statement of Financial Position (for the issuer and Group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	As at 31 Mar 2015 S\$'000	As at 30 June 2014 S\$'000	As at 31 Mar 2015 S\$'000	As at 30 June 2014 S\$'000
ASSETS				
Current Assets				
Trade and other receivables	107,288	143,324	3,945	8,571
Other current assets	633	65	31	-
Cash and cash equivalents	20,486	32,557	340	186
Current tax assets	2,092	-	-	-
	<u>130,499</u>	<u>175,946</u>	<u>4,316</u>	<u>8,757</u>
Non-Current Assets				
Investment in subsidiaries	-	-	8,008	8,916
Loans receivable	-	-	33,849	35,648
Property, plant and equipment	100,056	108,312	-	-
Intangible assets	11	13	-	-
Deferred tax assets	5,383	5,303	16	18
	<u>105,450</u>	<u>113,628</u>	<u>41,873</u>	<u>44,582</u>
TOTAL ASSETS	<u>235,949</u>	<u>289,574</u>	<u>46,189</u>	<u>53,339</u>
LIABILITIES AND EQUITY				
Current Liabilities				
Trade and other payables	47,218	82,446	211	156
Borrowings	16,967	30,584	-	-
Payable to related parties	-	-	1,472	2,492
Current income tax liability	-	2,485	124	106
Employee benefit provisions	5,451	6,713	-	-
	<u>69,636</u>	<u>122,228</u>	<u>1,807</u>	<u>2,754</u>
Non-Current Liabilities				
Borrowings	14,468	20,459	-	-
Deferred income tax liability	649	620	483	537
Employee benefit provisions	2,586	1,996	-	-
	<u>17,703</u>	<u>23,075</u>	<u>483</u>	<u>537</u>
TOTAL LIABILITIES	<u>87,339</u>	<u>145,303</u>	<u>2,290</u>	<u>3,291</u>
Capital and Reserves				
Share capital	37,864	37,864	37,864	37,864
Treasury shares	(11)	(11)	(11)	(11)
Other reserves	(15,185)	734	765	5,879
Retained earnings	125,943	105,685	5,281	6,316
Total Equity Attributable to Owners	<u>148,611</u>	<u>144,272</u>	<u>43,899</u>	<u>50,048</u>
Non-controlling interest	(1)	(1)	-	-
TOTAL EQUITY	<u>148,610</u>	<u>144,271</u>	<u>43,899</u>	<u>50,048</u>
TOTAL LIABILITIES AND EQUITY	<u>235,949</u>	<u>289,574</u>	<u>46,189</u>	<u>53,339</u>

Note

In the balance sheets, the following closing rate was used to translate the Australian dollar:

	March 2015	June 2014
A\$	1.0566	1.1765

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

	Group		Group	
	As at 31 March 2015		As at 30 June 2014	
	S\$'000	S\$'000	S\$'000	S\$'000
	Secured	Unsecured	Secured	Unsecured
Amount repayable in one year or less, or on demand	16,967	-	30,584	-
Amount repayable after one year	14,468	-	20,459	-

Details of collaterals

Finance leases:

The Group has S\$21.4 million (FY2014: S\$29.2 million) of finance leases for motor vehicles, workshop equipment and office fit out from non-related parties. The Group will obtain the ownership of the leased assets from the lessor at no extra cost at the end of the lease term.

Bank bill:

As at 31 March 2015, the Group has drawn S\$10.0 million (FY2014: S\$21.8 million) of its commercial bill facility.

Finance leases and Bank bills are secured by:

- First registered real property mortgage by Civmec Holdings Pty Ltd over the leasehold interest in the Commercial property located at 16 Nautical Drive, Henderson WA 6166.
- First registered fixed and floating charge over the assets and undertaking of Civmec Construction & Engineering Pty Ltd and Civmec Holdings Pty Ltd.
- Unlimited guarantee and indemnity given by Civmec Holdings Pty Ltd and Civmec Ltd.
- Consent to Mortgage of Lease over Commercial property located at Lot 804 (16) Nautical Drive, Henderson WA 6166 given by Western Australian Land Authority.
- Unlimited guarantee and indemnity given by the Company.

During the reporting period the Group negotiated additional bonding facilities of S\$21.0 million.

Total unutilised facilities amount to approximately S\$106.0 million.

1(c) Statement of Cash Flows (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 9M FY2015 S\$'000	Group 9M FY2014 S\$'000
Cash Flows from Operating Activities		
Profit before income tax	30,965	31,486
Adjustments for:		
Depreciation of property, plant and equipment	6,048	4,722
Loss/(Gain) on disposal of property, plant and equipment	(1)	176
Share of profit in joint venture	-	(462)
Gain on acquisition of subsidiary	-	(1,058)
Equity-settled share based payment	57	-
Finance cost	1,668	1,249
Interest income	(342)	(536)
Exchange translation differences	(5,716)	(111)
Operating cash flow before working capital changes	<u>32,679</u>	<u>35,466</u>
Changes in working capital:		
Decrease/(Increase) in trade receivables	36,037	(28,192)
Increase in other current assets	(568)	(1,024)
(Decrease)/Increase in trade and other payables	(35,226)	36,324
(Decrease)/Increase in provisions	(673)	1,764
Cash generated from operations	<u>32,249</u>	<u>44,338</u>
Interest received	342	536
Finance cost paid	(1,668)	(1,249)
Income tax refund	3,063	-
Income taxes paid	(15,396)	(8,791)
Net cash generated from operating activities	<u>18,590</u>	<u>34,834</u>
Cash Flows from Investing Activities		
Proceeds from sale of property, plant and equipment	346	188
Purchase of property, plant and equipment	(9,377)	(25,253)
Net cash of acquired subsidiary	-	3,298
Net cash used in investing activities	<u>(9,031)</u>	<u>(21,767)</u>
Cash flows from financing activities		
Proceeds from borrowings	11,955	11,583
Repayment of borrowings	(27,214)	(12,747)
Dividend paid	(3,502)	(3,507)
Shares purchased	-	(948)
Net cash used in financing activities	<u>(18,761)</u>	<u>(5,619)</u>
Net increase/(decrease) in cash and cash equivalents	(9,201)	7,448
Effects of currency translation on cash and cash equivalents	(2,869)	191
Cash and cash equivalents at the beginning of the period	32,557	23,108
Cash and cash equivalents at the end of the period	<u>20,486</u>	<u>30,747</u>

1(d) A statement (for the issuer and the 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.

GROUP	Other Reserves					Retained earnings	Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 01 July 2013	37,864	-	9,010	(10,808)	-	74,113	110,179	(1)	110,178
Profit for the year	-	-	-	-	-	35,079	35,079	-	35,079
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	2,305	-	-	2,305	-	2,305
Total comprehensive income for the year	-	-	-	2,305	-	35,079	37,384	-	37,384
Share repurchased during the year	-	(948)	-	-	-	-	(948)	-	(948)
Share granted via employee share scheme	-	937	-	-	-	-	937	-	937
Share based payment	-	-	-	-	227	-	227	-	227
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2014	37,864	(11)	9,010	(8,503)	227	105,685	144,272	(1)	144,271
Balance as at 01 July 2014	37,864	(11)	9,010	(8,503)	227	105,685	144,272	(1)	144,271
Profit for the period	-	-	-	-	-	23,760	23,760	-	23,760
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(15,976)	-	-	(15,976)	-	(15,976)
Total comprehensive income for the period	-	-	-	(15,976)	-	23,760	7,784	-	7,784
Share based payment	-	-	-	-	57	-	57	-	57
Dividends paid during the period	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)
Balance as at 31 March 2015	37,864	(11)	9,010	(24,479)	284	125,943	148,611	(1)	148,610

1(d) A statement (for the issuer and the 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 (cont'd).

COMPANY	Other Reserves					Retained earnings	Total	Non-Controlling interest	Total equity
	Share capital	Treasury shares	Merger reserve	Translation reserve	Option reserve				
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000				
Balance as at 01 July 2013	37,864	-	9,010	(4,070)	-	4,761	47,565	-	47,565
Profit for the year	-	-	-	-	-	5,062	5,062	-	5,062
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	712	-	-	712	-	712
Total comprehensive income for the year	-	-	-	712	-	5,062	5,774	-	5,774
Share repurchased during the year	-	(948)	-	-	-	-	(948)	-	(948)
Share granted via employee share scheme	-	937	-	-	-	-	937	-	937
Share based payment	-	-	-	-	227	-	227	-	227
Dividends paid	-	-	-	-	-	(3,507)	(3,507)	-	(3,507)
Balance as at 30 June 2014	37,864	(11)	9,010	(3,358)	227	6,316	50,048	-	50,048
Balance as at 01 July 2014	37,864	(11)	9,010	(3,358)	227	6,316	50,048	-	50,048
Profit for the period	-	-	-	-	-	2,467	2,467	-	2,467
Other comprehensive income:									
<i>Items that may be reclassified subsequently to profit or loss</i>									
Exchange differences on re-translation from functional currency to presentation currency	-	-	-	(5,171)	-	-	(5,171)	-	(5,171)
Total comprehensive income for the period	-	-	-	(5,171)	-	2,467	(2,704)	-	(2,704)
Share based payment	-	-	-	-	57	-	57	-	57
Dividends paid during the period	-	-	-	-	-	(3,502)	(3,502)	-	(3,502)
Balance as at 31 March 2015	37,864	(11)	9,010	(8,529)	284	5,281	43,899	-	43,899

- 1(d)(ii) Details of any changes in the company's share capital arising from right issue, bonus issue, share buy-back, 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 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.**

There was no change in the issued and paid up capital of the Company since the previous quarter ended 31 December 2014.

As at 31 March 2015, of the total 501,000,000 shares on issue, 15,000 shares are held as Treasury shares (30 June 2014: 15,000).

The Company has no outstanding convertibles as at 31 March 2015 and 30 June 2014.

As at 31 March 2015 there were outstanding options for 6,000,000 (30 June 2014: 6,000,000) unissued ordinary shares under the employee share option scheme. No options had vested or were exercisable during the quarter ended 31 March 2015.

- 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 March 2015	30 June 2014
	<u>No. of shares</u>	<u>No. of shares</u>
Balance of shares at beginning of period	501,000,000	501,000,000
Total number of shares as at end of the period	501,000,000	501,000,000
Total shares held as treasury shares	<u>15,000</u>	<u>15,000</u>
Total number of shares as at end of period, net of Treasury shares	<u>500,985,000</u>	<u>500,985,000</u>

- 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.**

There were no sales, transfers, disposal, cancellation and/or use of treasury shares during the current financial period reported on. As at 31 March 2015, the Company held 15,000 of its issued shares as treasury shares.

- 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. Whether 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 adopted the same accounting policies and methods of computation in the financial statements for the current financial period as those applied for the most recent audited financial statements for the year ended 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.

Not Applicable.

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.

	Q3 FY2015 S\$'000	Q3 FY2014 S\$'000	9 Mths 2015 S\$'000	9 Mths 2014 S\$'000
Profit after taxation	5,320	9,235	23,760	23,493
Pre-invitation Share Capital	501,000,000	501,000,000	501,000,000	501,000,000
Weighted average number of shares				
• Basic	500,985,000	499,786,000	500,985,000	500,535,818
• Diluted	506,985,000	507,000,000	506,985,000	505,401,460
Earnings per ordinary share (S\$ cents)				
• Basic	1.06	1.85	4.74	4.69
• Diluted	1.05	1.82	4.69	4.65

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 number of outstanding shares.

Diluted earnings per share is calculated by dividing the consolidated profit after tax attributable to the equity holders of the company, by the weighted average number of shares and options.

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	
	As at 31 Mar 2015 S\$'000	As at 30 June 2014 S\$'000	As at 31 Mar 2015 S\$'000	As at 30 June 2014 S\$'000
Net assets	148,610	144,271	43,899	50,048
Net asset value per ordinary share based on issued share capital at the end of the respective periods (S\$ cents)	29.66	28.79	8.76	9.99

Net asset value per share is calculated by dividing the net assets attributable to the equity holders of the Company by the number of issued shares as at 31 March 2015 of 500,985,000 (30 June 2014: 500,985,000) and excludes treasury shares of 15,000 (30 June 2014: 15,000).

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. Statement of Comprehensive Income

The Group's revenue for the quarter ended 31 March 2015 ("Q3 FY2015") was S\$87.9 million (Q3 FY2014: S\$117.0 million) with the decrease attributable to projects completing and timing on new projects commencing. However, revenue for the nine-month period ("9M FY2015") increased 44% to S\$384.5 million compared to S\$267.0 million for 9M FY2014, reflecting the growth achieved by the Group.

Q3 FY2015 gross profit decreased to S\$11.7 million due to the reduction in revenue. Gross margin was 13.3% (Q3 FY2014: 13.7%) which is sequentially higher than the two previous quarters in FY2015 as profit was recognised as projects completed. Overall gross margin for 9M FY2015 remained steady at 12.5%.

Administration expenses increased to S\$4.9 million in Q3 FY2015 from S\$4.5 million in Q3 FY2014 due primarily to costs associated with geographical expansion.

Net profit after tax ("NPAT") in Q3 FY2015 decreased to S\$5.3 million (Q3 FY2014: S\$9.2 million) in line with the decrease in revenue. However, NPAT for 9M FY2015 increased marginally to S\$23.8 million, with an NPAT margin of 6.2%.

The Group's results continue to be impacted by currency translation effects from the weaker Australian dollar (the Group's functional currency) compared to the Singapore dollar (the Group's reporting currency).

B Statement of Financial Position

Total shareholders' equity increased to S\$148.6 million as at 31 March 2015 compared to S\$144.3 million as at 30 June 2014, despite factoring in lower translation reserves of S\$15.9 million due to the weaker Australian dollar.

Trade and other receivables increased slightly in Q3 FY2015 as commercial negotiations on some contracts nearing completion remained outstanding at the end of the period, however trade and other payables declined during the period as projects neared completion.

The current assets to current liabilities ratio increased to 1.90 (FY2014: 1.44). Cash and cash equivalents decreased to S\$20.5 million as at 31 March 2015 compared to S\$32.5 million in June 2014 reflecting the higher trade receivables for the period.

Non-current assets declined 7.2% to S\$105.5 million as at 31 March 2015 compared to S\$113.6 million as at 30 June 2014. This is a result of a decrease in the value of property plant & equipment of S\$8.2 million – attributable to the effects of currency translation.

Overall borrowings remained steady from last quarter at S\$31.4 million, however the Group has achieved an overall reduction in borrowings of S\$19.6 million to date in FY2015.

C Statement of Cash Flows

Cash generated from operating activities for the nine months to 31 March 2015 was positive with S\$18.6 million generated, however this has been impacted since last quarter with approximately S\$20.0 million of cash proceeds from operations received in early April 2015. This is reflected in the increase in trade receivables.

The Group's cash flow has been impacted by foreign exchange differences of S\$5.7 million recorded in Q3 FY2015, significantly higher than the S\$111,000 recorded in Q3 FY2014.

Cash proceeds of S\$27.2 million have been utilised in 9M FY2015 to repay debt, resulting in an overall reduction in borrowings of 38.4%.

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 and the next 12 months.

Civmec is an integrated multi-disciplinary construction and engineering service provider to the resource, oil and gas and infrastructure sectors.

The Group provides a diverse range of complex service offerings delivering integrated, unique, innovative and cost effective solutions to our clients delivering large scale projects. Civmec continues to expand its service offering and is now fully capable of providing end-to end solutions to our clients which has been evidenced in recent project awards.

Australia's mining sector remains subdued with low commodity prices while the fall in the oil price has impacted the global oil & gas sector.

Despite these challenging market conditions, the Group strengthened its position in new and existing markets during the quarter under review with the Group winning a number of new contracts, the most significant being for fabrication and site erection of steelwork for the new Perth Stadium and installation of the rail car dumper on the Roy Hill iron ore project the Pilbara of Western Australia.

At the end of March the Group's order book remains strong at approximately S\$260 million and tendering activity is positive. Importantly, the Group has commenced building the order book for the 2016 financial year.

Civmec's strategy to diversify into infrastructure projects in Australia continues to be a priority with the sector providing significant tendering opportunities particularly on the east coast of Australia, where we have recently established an office in Sydney. Maintenance prospects remain positive in the oil & gas sector and we see a number of opportunities for service contracts as new LNG facilities move to operations phase.

Civmec remains committed to its long-term growth strategy that includes diversification of our revenue sources through broadening our service offering and geographical spread. The company's recent decision to enter into due diligence for the acquisition of PT Global Industries Asia Pacific is a milestone in our strategy to expand into South East Asia to capitalise on opportunities in future growth markets.

The Group continues to enhance margins by improving productivity and reducing costs – including overheads. Other initiatives that may be implemented over the next 12 months include reductions in staffing levels in line with project activity, structural changes to support service functions to drive increased efficiency and process effectiveness and continual disposal of any surplus plant and equipment.

The Group's balance sheet provides Civmec the capacity to pursue investment opportunities in line with its diversification objectives and we are confident that the Group is well positioned for future success.

Barring any unforeseen circumstances, the Group expects to remain profitable for FY2015.

11. Dividend

- a) **Any dividend declared for the current financial period reported on?**
Not applicable.
- b) **Any dividend declared for the corresponding period of the immediately preceding financial year?**
Not applicable.
- c) **Date payable**
Not applicable.
- d) **Books closure date**
Not applicable.

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

A dividend has not been declared nor recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

No general mandate has been obtained for interested persons transactions.

There were no IPT transactions for the period.

14. Negative confirmation pursuant to Rule 705(5).

To the best of our knowledge, nothing has come to the attention of the Board which may render the financial results for the period ended 31 March 2015 to be false or misleading in any material aspect.

ON BEHALF OF THE BOARD

James Finbarr Fitzgerald
Executive Chairman
14 May 2015