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Royal Wolf Holdings Limited
ABN 91 121 226 793

February 5 2014

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

ROYAL WOLF HOLDINGS LIMITED: FY 2014 First Half Results

Please find attached an announcement for release to the market.

Yours faithfully

Greg Baker
Company Secretary

About Royal Wolf

Royal Wolf is Australasia's largest provider of container solutions with 33 facilities including 28 dedicated Customer Service Centres located throughout Australia & New Zealand and a hire fleet of over 41,000 containers at 31 December 2013. Royal Wolf has 19 years of experience and a commitment to providing superior customer service. We offer over 90 container based designs with applications in portable storage, portable buildings, mining camps and freight containers.

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MEDIA RELEASE

Royal Wolf delivers EBITDA and Revenue growth.

Key points on the results

- Revenues were $88.4 million, an increase of $16.4 million, or 22.7% ahead of 1H13.
- Leasing revenues were $38.9 million, an increase of $2.9 million, or 8.2% over 1H13 and continue to track to plan.
- The lease demand is from all industry sectors and leasing revenue growth was delivered through run rate from both organic and acquisitive growth. The delivery of 6 transportable camps took place in the second quarter of 1H14 and will have an impact on revenues in the 2H14.
- Leasing revenues comprised 44.0% of total revenues versus 49.9% for 1H13 as a result of the impact of the large low margin sales contract in excess of $12.0 million in the freight segment foreshadowed at the 2013 FY results announcement.
- Utilisation of the lease fleet at 31 December 2013 was 86.5% compared to 85.7% at 31 December 2012 and 78.8% at June 30 2013.
- Sales revenues were $49.5 million, an increase of $13.4 million, or 37.1% over 1H13. The delivery of the single large low margin sales contract contributed in excess of $12.0 million to sales revenue, while the higher margin sales revenue in the CSC Australian portable storage segment declined $3.6 million.
- Trading EBITDA was $21.5 million versus $20.1 million for 1H13, representing an increase of 6.5%.
- Net Profit after Tax attributable to ordinary shareholders was $6.4m, or 6.4c per share compared to 6.6c per share for 1H13. The slight reduction is due to the unrealized FX losses, higher SG&A as we build for growth and lower average utilisation for the current period.
- Interim dividend of 5.0c per share (unfranked) will be paid on 3 April 2014.

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($ in millions, 1HE 31 December)	1H14	1H13	% Growth
Container lease revenue	38.9	36.0	8.2%
Container sales revenue	49.5	36.0	37.1%
Total revenue	88.4	72.0	22.7%
Trading EBITDA*	21.5	20.2	6.5%
EBITDA	20.8	20.2	2.9%
EBIT	12.4	12.8	(3.2%)
NPATA	8.5	8.7	(2.3%)
NPAT	6.4	6.6	(3.1%)
EPS	6.4c	6.6c	(3.0%)

*Trading EBITDA is calculated to eliminate the impact of unrealised exchange gains and losses and mark to market revaluation of FX hedge instruments which are not considered to be indicative of the performance of ongoing operations.

Management Commentary

Robert Allan, Chief Executive Officer said: "Royal Wolf continues to deliver revenue growth from our product range and to complete accretive acquisitions."

"Our portable storage and portable buildings markets are each delivering leasing revenue growth year on year while the freight market is steady. The main drivers during the first half have been the broad CSC customer base, rental camps in the resources and oil and gas sectors and increasing activity from the removals industry in the freight sector late in the half."

"Sales in the portable buildings and freight markets have each delivered growth year on year while the portable storage market in Australia tracked behind the same period last year reflecting flat economic activity on the eastern seaboard and our focus on leasing revenue growth."

"The impact of unrealised exchange gains and losses and mark to market revaluation of FX hedge instruments, higher SG&A as we invest in the future and lower average utilisation for the current period leading to full depreciation expense without the offsetting revenue from the increased idle fleet resulted in the lower EBITA, NPAT and NPATA."

"The second quarter performance showed growth of 11.8%, 16.2% and 8.3% for EBIT, NPAT and NPATA compared to the first quarter negatives of 20.0%, 27.6% and 15.4% respectively."

"The second half performance opening with the higher utilisation at 31 December should mean higher average utilisation during the second half, thus increasing profitability."

"We have completed two acquisitions during the first half. We continue to see opportunities for growth through market penetration and product range development."

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"To bring our product range closer to our customers and continue to grow, we will seek accretive acquisitions and intend to increase our CSC footprint and agents network."

"We approach the balance of 2014 knowing that the market environment across the eastern seaboard of Australia continues to be the most challenging that we have seen for a number of years."

"Our multiple markets, various geographies, container fleet utilisation and inventory levels combined with our excellent team, auger well for our growth plans and give us confidence that, subject to no unforseen deterioration in market conditions, we will deliver year on year growth."

For further information please contact:

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