

## APPENDIX 4E PRELIMINARY FINAL REPORT

**MASTERMYNE GROUP LIMITED**  
**ABN 96 142 490 579**

**Reporting period: Financial year ended 30 June 2015**  
**Previous Corresponding period: Financial year ended 30 June 2014**

### RESULTS FOR ANNOUNCEMENT TO THE MARKET

	<b>2015 \$'000</b>	<b>2014 \$'000</b>	<b>Change \$'000</b>	<b>Change %</b>
Revenue from Ordinary Activities	174,195	171,977	2,218	1.3%
Profit for the year attributable to equity holders of the parent	(4,376)	2,963	(7,339)	(247.7%)

### DIVIDENDS

<b>DIVIDEND</b>	<b>Record Date</b>	<b>Payment Date</b>	<b>Amount per Security</b>	<b>Franked Amount per Security</b>
Final Dividend for year ended 30 June 2015	25/09/2015	15/10/2015	1.0 cps	1.0 cps
Interim Dividend for year ended 30 June 2015	13/03/2015	02/04/2015	1.0 cps	1.0 cps
Final Dividend for year ended 30 June 2014	26/09/2014	16/10/2014	1.4 cps	1.4 cps

## FINANCIAL RESULTS

### Profit for the year

Mastermyne Group Limited and its controlled subsidiaries recorded a loss after tax of \$4.354 million for the year ended 30 June 2015, down on the previous corresponding period (net profit after tax for the year ended 30 June 2014 of \$2.992 million). The result included a non-cash goodwill impairment of \$4.538 million (2014:nil), a gain on bargain purchase of \$2.221 million (2014:nil) as a result of the acquisition of Diversified Mining Services Limited (DMS) and transaction costs associated with the acquisition of DMS of \$1.272 million (2014:nil). The impact of these items reduced the profit after tax by \$3.589 million.

The Group's revenues were up by 1.29% to \$174.195 million (2014: \$171.977 million) as a result of the six month's revenue contribution from the DMS acquisition. The remainder of the Group's revenue decreased on the previous corresponding period as a result of lower contracting activity. Profit margins have also decreased resulting from the lower contracting activity, lower equipment utilisation and contraction in margins due to the current market climate.

### Balance Sheet and Cash Flows

The overall cash position remained steady during the year ended 30 June 2015 with a net decrease in cash and cash equivalents of \$0.087 million (2014: net decrease of \$1.413 million). Total cash flow movements were as follows:

- Net cash inflows from operating activities for the year were \$7.135 million (2014: net cash inflows of \$10.667 million), the reduction on last year is largely driven by decreased operating activity.
- Net cash outflows from investing activities for the year of \$11.293 million (2014: net cash outflows of \$1.628 million), primarily as a result of the cash investment in DMS during the period of \$10.581 million (2014: nil);
- net cash inflows from financing activities for the year of \$4.071 million (2014: net cash outflows of \$10.452 million), resulting from increased borrowings associated with the acquisition of DMS of \$11.500 million (2014:nil), repayment of borrowings of \$5.461 million (2014: \$7.130 million), and paying dividends of \$1.968 million (2014: \$3.468 million).

The balance sheet remains strong with net debt increasing by \$6.200 million to \$8.433 million (2014: \$2.233 million), largely as a result of increasing total bank debt to \$17.156 million (2014: \$11.043 million) due to the DMS acquisition. The Group still maintains headroom in its current bank facilities with Equipment facility limits of \$15.000 million (\$2.965 million drawn) and working capital facilities of \$10.270 million (\$2.040 million drawn in bank guarantees).

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**For the year ended 30 June 2015**

*In thousands of AUD*

	2015	2014
Revenue	174,195	171,977
Other income	35	257
Contract disbursements	(31,929)	(30,090)
Personnel expenses	(126,061)	(123,188)
Office expenses	(7,790)	(5,698)
Depreciation and amortisation expense	(7,515)	(7,353)
Gain on bargain purchase	2,221	-
Impairment loss	(4,538)	-
Other expenses	(2,268)	(1,034)
<b>Results from operating activities</b>	<b>(3,650)</b>	<b>4,871</b>
Finance income	202	263
Finance expense	(1,101)	(1,199)
<b>Net finance expense</b>	<b>(899)</b>	<b>(936)</b>
<b>Profit before income tax</b>	<b>(4,549)</b>	<b>3,935</b>
Income (tax expense) / benefit	195	(943)
<b>Profit for the period</b>	<b>(4,354)</b>	<b>2,992</b>
Other comprehensive income for the period, net of income tax	-	-
<b>Total comprehensive income for the period</b>	<b>(4,354)</b>	<b>2,992</b>
<b>Attributable to:</b>		
Owners of the Company	(4,376)	2,963
Non-controlling interests	22	29
<b>Profit for the period</b>	<b>(4,354)</b>	<b>2,992</b>
<b>Earnings per share</b>		
Basic earnings per share (AUD)	(0.05)	0.04
Diluted earnings per share (AUD)	(0.05)	0.04

Please refer to the annual financial statements lodged with the ASX on 18 August 2015 for the notes to the consolidated statement of profit or loss and other comprehensive income.

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**At 30 June 2015**

*In thousands of AUD*

	2015	2014
<b>Assets</b>		
Cash and cash equivalents	8,723	8,810
Trade and other receivables	38,568	37,917
Inventories	3,002	2,742
Current tax assets	259	-
<b>Total current assets</b>	<b>50,552</b>	<b>49,469</b>
Deferred tax assets	7,146	
Property, plant and equipment	29,070	27,732
Intangible assets	14,912	19,642
<b>Total non-current assets</b>	<b>51,128</b>	<b>47,374</b>
<b>Total assets</b>	<b>101,680</b>	<b>96,843</b>
<b>Liabilities</b>		
Trade and other payables	18,101	16,265
Loans and borrowings	4,363	5,102
Employee benefits	7,725	6,655
Current tax payable	-	10
<b>Total current liabilities</b>	<b>30,189</b>	<b>28,032</b>
Loans and borrowings	12,793	5,941
Employee benefits	197	145
Deferred tax liabilities	-	2,063
<b>Total non-current liabilities</b>	<b>12,990</b>	<b>8,149</b>
<b>Total liabilities</b>	<b>43,179</b>	<b>36,181</b>
<b>Net assets</b>	<b>58,501</b>	<b>60,662</b>
<b>Equity</b>		
Share capital	55,234	51,108
Reserves	(21,944)	(21,979)
Retained earnings	24,783	31,127
<b>Total equity attributable to equity holders of the Company</b>	<b>58,073</b>	<b>60,256</b>
<b>Non-controlling interests</b>	<b>428</b>	<b>406</b>
<b>Total equity</b>	<b>58,501</b>	<b>60,662</b>

Please refer to the annual financial statements lodged with the ASX on 18 August 2015 for the notes to the consolidated statement of financial position.

**CONSOLIDATED CASH FLOW STATEMENT**  
**For the year ended 30 June 2015**

*In thousands of AUD*

	2015	2014
<b>Cash flows from operating activities</b>		
Cash receipts from customers	199,535	196,116
Cash paid to suppliers and employees	(190,741)	(182,343)
Cash generated from operations	8,794	13,773
Interest paid	(1,101)	(1,199)
Income tax paid	(558)	(1,907)
<b>Net cash flows from operating activities</b>	<u>7,135</u>	<u>10,667</u>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	104	1,464
Acquisition of property, plant and equipment	(1,018)	(3,355)
Interest received	202	263
Acquisition of subsidiary, net of cash acquired	(10,581)	-
<b>Net cash flows used in investing activities</b>	<u>(11,293)</u>	<u>(1,628)</u>
<b>Cash flows from financing activities</b>		
Proceeds from exercise of share options	-	146
Proceeds from borrowings	11,500	-
Repayment of borrowings	(5,461)	(7,130)
Dividends paid	(1,968)	(3,468)
<b>Net cash flows used in financing activities</b>	<u>(4,071)</u>	<u>(10,452)</u>
Net decrease in cash and cash equivalents	(87)	(1,413)
Cash and cash equivalents at beginning of period	8,810	10,223
<b>Cash and cash equivalents at end of period</b>	<u>8,723</u>	<u>8,810</u>

Please refer to the annual financial statements lodged with the ASX on 18 August 2015 for the notes to the consolidated cash flow statement.

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**For the year ended 30 June 2015**

*In thousands of AUD*

	Attributable to owners of the Company				Total	Non-Controlling interests	Total
	Share capital	Retained earnings	Share-based payment reserve	Common Control Reserve			
<b>Consolidated</b>							
<b>Balance at 1 July 2013</b>	50,964	31,632	2,160	(24,237)	60,519	377	60,896
<b>Total comprehensive income for the period</b>							
Profit / (loss) for the period	-	2,963	-	-	2,963	29	2,992
Total comprehensive income for the period	-	2,963	-	-	2,963	29	2,992
<b>Transactions with owners recorded directly in equity</b>							
Share options exercised	144	-	-	-	144	-	144
Share-based payment transactions	-	-	98	-	98	-	98
Dividends to equity holders	-	(3,468)	-	-	(3,468)	-	(3,468)
Total contributions by and distributions to owners	144	(3,468)	98	-	(3,226)	-	(3,226)
<b>Balance at 30 June 2014</b>	51,108	31,127	2,258	(24,237)	60,256	406	60,662
<b>Balance at 1 July 2014</b>	51,108	31,127	2,258	(24,237)	60,256	406	60,662
<b>Total comprehensive income for the period</b>							
Profit / (loss) for the period	-	(4,376)	-	-	(4,376)	22	(4,354)
Total comprehensive income for the period	-	(4,376)	-	-	(4,376)	22	(4,354)
<b>Transactions with owners recorded directly in equity</b>							
Issue of ordinary shares in relation to business combinations	4,126	-	-	-	4,126	-	4,126
Share-based payment transactions	-	-	35	-	35	-	35
Dividends to equity holders	-	(1,968)	-	-	(1,968)	-	(1,968)
Total contributions by and distributions to owners	4,126	(1,968)	35	-	2,193	-	2,193
<b>Balance at 30 June 2015</b>	55,234	24,783	2,293	(24,237)	58,073	428	58,501

Please refer to the annual financial statements lodged with the ASX on 18 August 2015 for the notes to the consolidated statement of changes in equity.

## EARNINGS PER SHARE

### Basic earnings per share

The calculation of basic earnings per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of \$4,376 thousand (2014: \$2,963 thousand profit) and a weighted average number of ordinary shares outstanding of 83,580 thousand (2014: 75,471 thousand), calculated as follows:

#### Profit attributable to ordinary shareholders

<i>In thousands of AUD</i>	<b>2015</b>	<b>2014</b>
Profit / (loss) attributable to ordinary shareholders	(4,376)	2,963

#### Weighted average number of ordinary shares

<i>In thousands of shares</i>	<b>2015</b>	<b>2014</b>
Issued ordinary shares at 1 July	75,518	75,368
Shares issued in relation to business combination	8,062	-
Effect of share options exercised	-	103
Weighted average number of ordinary shares at 30 June	<u>83,580</u>	<u>75,471</u>

### Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2015 was based on the loss attributable to ordinary shareholders of \$4,376 thousand (2014: \$2,963 thousand profit) and a weighted average number of ordinary shares outstanding of 83,580 thousand (2014: 75,471 thousand), calculated as follows:

#### Profit attributable to ordinary shareholders (diluted)

<i>In thousands of AUD</i>	<b>2015</b>	<b>2014</b>
Profit attributable to ordinary shareholders	(4,376)	2,963

#### Weighted average number of ordinary shares (diluted)

<i>In thousands of shares</i>	<b>2015</b>	<b>2014</b>
Weighted average number of ordinary shares (basic)	<u>83,580</u>	<u>75,471</u>
Weighted average number of ordinary shares (diluted) at 30 June	<u>83,580</u>	<u>75,471</u>

## NET TANGIBLE ASSET BACKING

	<b>2015</b>	<b>2014</b>
Net tangible assets per ordinary share (dollars per share)	0.52	0.54

**Business Segments**

<i>In thousands of AUD</i>	<b>Mastermyne</b>		<b>Mastertec</b>		<b>Consolidated</b>	
	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>	<b>2015</b>	<b>2014</b>
		<b>Restated</b>		<b>Restated</b>		<b>Restated</b>
External revenues	140,863	148,029	33,332	23,948	174,195	171,977
Intersegment revenue	5,600	6,338	1,801	1,200	7,401	7,538
Depreciation and amortisation	(6,082)	(6,299)	(1,463)	(863)	(7,515)	(7,353)
Net finance costs	(827)	(932)	(72)	(3)	(899)	(935)
Goodwill Impairment	-	-	(4,538)	-	(4,538)	-
Reportable Segment profit/(loss) before income tax	3,256	4,649	(5,137)	(435)	(1,881)	4,214
<b>Other material non-cash items:</b>						
Segment assets	60,400	74,150	35,441	22,691	95,841	96,841
Capital expenditure	752	2,945	347	410	1,018	3,355
Segment liabilities	(26,368)	(26,509)	(14,469)	(8,849)	(40,837)	(35,358)

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**Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items**

*in thousands of AUD*

	2015	2014
<b>Revenues</b>		
Total revenue for reportable segments	181,596	179,515
Elimination of inter-segment revenue	(7,401)	(7,538)
Consolidated revenue	<u>174,195</u>	<u>171,977</u>
<b>Profit or loss</b>		
Total profit or loss for reportable segments	(1,881)	4,214
Elimination of inter-segment profits	(159)	(191)
Unallocated amounts: net corporate expenses	(2,509)	(88)
Consolidated profit before income tax	<u>(4,549)</u>	<u>3,935</u>
<b>Assets</b>		
Total assets for reportable segments	95,841	96,841
Other assets	3,014	-
Unallocated amounts: corporate tax asset	2,825	-
Consolidated total assets	<u>101,680</u>	<u>96,841</u>
<b>Liabilities</b>		
Total liabilities for reportable segments	40,837	35,358
Unallocated amounts: corporate tax liability	-	823
Other Liabilities	2,342	-
Consolidated total liabilities	<u>43,179</u>	<u>36,181</u>

**CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT**

On 23 December 2014 the group acquired 100% of the shares in Diversified Mining Services Ltd. Further details of the gain in control can be found in the notes to the 30 June 2015 Annual Report.

**LOSS OF CONTROL OF ENTITIES HAVING A MATERIAL EFFECT**

There were no entities or group of entities that control was lost during the period that had a material effect.

**DETAILS OF ASSOCIATES AND JOINT VENTURE ENTITIES**

There were no entities or group of entities that were associates or joint venture entities during the period.

### **ANNUAL GENERAL MEETING**

The details of the Annual General Meeting are as follows:

Place: MACKAY QLD 4740

Date: 16 November 2015

Time: 11.00am

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