

## ASX RELEASE

### LYCPODIUM LIMITED 2016/17 RESULTS

25 August 2017

|                           |   |                             |
|---------------------------|---|-----------------------------|
| <b>Revenue</b>            | : | <b>\$216.6 million</b>      |
| <b>Profit Before Tax</b>  | : | <b>\$14.31 million</b>      |
| <b>Profit After Tax</b>   | : | <b>\$10.29 million</b>      |
| <b>Earnings per Share</b> | : | <b>25.9 cents per share</b> |
| <b>Total Dividend</b>     | : | <b>18 cents per share</b>   |

For the financial year ended 30 June 2017, Lycopodium derived revenues of \$216.6 million and a net profit after tax of \$10.29 million.

In addition to the segment reporting format in the Appendix 4E report, we are also including our supplemental segment reporting format (on Page 3).

The Directors have resolved to pay a final dividend of 9 cents, which is in line with the dividend policy. The total dividend for the year is 18 cents fully franked.

Lycopodium has had a busy year across all sectors. We have continued to execute our strategies and have seen the company successfully deliver services across all sectors and geographical regions in which we are involved. In line with this we have achieved a good financial outcome for the year and have further strengthened our balance sheet and financial position.

In mineral resources Lycopodium was busy with the delivery of five green fields gold projects Mako (Senegal), Hounde' (Burkina Faso), Natougou (Burkina Faso), Sissingue' (Cote' D'Ivoire) and Santa Rosa (Colombia) as well as two expansion/upgrade projects Karma (Burkina Faso) and Toka Tindung (Indonesia).

The level of activity in our infrastructure business increased materially in the second half of the financial year with a number of new briefs awarded to both the rail and asset management groups including a material package of asset management work with Energy Australia. In addition we are actively bidding a number of packages on the Inland Rail Project in Eastern Australia, a key national infrastructure initiative.

In our process industries business we have been awarded the design and construct contract for a Cotton Seed De-linting HCl package in NSW and are seeing a modest but steady increase in the number of opportunities.

We have grown in terms of staff numbers, in line with the increased levels of activity. All our projects and studies are being delivered very well across the business which is a reflection of the quality of our people and teams.

## *Outlook*

In the Mineral Resources sector generally we have seen steady if not strengthening prices across most commodities. The gold price has been resilient through the year having almost reached US\$1,300/oz on occasion. Obviously a strong gold price will be positive for the world's gold miners which in turn will be positive for us given our strong track record and credentials in the delivery of gold projects. Similarly since November 2016 the price of copper has strengthened and is up over 25% for the year, this too is positive for our current and prospective clients and should see activity sustained or increase should these pricing levels prevail. The price of iron ore has also surprised on the upside this year and we are seeing a number of opportunities arise as global producers look to shore up their ability to sustain production levels.

In the Infrastructure Sector we believe that our activity in the sectors we service will continue to improve in line with what we have seen in the last half of this past financial year. This will be driven by a combination of factors which include the announced funding by the Australian Federal Government of some significant infrastructure initiatives during the financial year, a key example being ARTC's Inland Rail Project, and an increase in spending by both the private and government sectors in terms of the maintenance planning and management of their fixed assets.

At present the Company considers that the outlook for the 2017/18 financial year will be generally in line with results achieved in this past year.

Lycopodium is very proud of the achievements of its personnel over the last year. The Board of Directors recognises that their commitment and performance have enabled the Company to continue delivering world class services to our clients maintaining and building the Company's excellent reputation and track record.

## **Dividend Entitlements**

The final dividend of 9 cents per share fully franked will be paid to shareholders on 13 October 2017, with a record date of 29 September 2017.

For further information:

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**Lycopodium Ltd**  
**Segment reporting (unaudited)**  
**FYE 30 June 2017**

|   | Segment revenues   |                    | Segment results          |                         |
|---|--------------------|--------------------|--------------------------|-------------------------|
|   | Jun-17             | Jun-16             | Jun-17                   | Jun-16                  |
| EPCM  | 42,893,268         | 35,509,149         | 9,780,115                | 4,274,614               |
| Design & construct (lump sum)                 | 101,006,584        | 22,785,099         | 5,343,400                | 1,609,248               |
| Study services                                | 12,217,007         | 13,073,386         | 1,320,358                | 533,012                 |
| Project services                              | 57,329,897         | 49,550,426         | 9,397,783                | 8,592,190               |
|   | <u>213,446,756</u> | <u>120,918,059</u> | <u>25,841,657</u>        | <u>15,009,064</u>       |
| Unallocated revenue                           | 3,169,686          | 3,542,159          | 0                        | 0                       |
|   | <u>216,616,442</u> | <u>124,460,218</u> | <u>25,841,657</u>        | <u>15,009,064</u>       |
| Unallocated revenue less unallocated expenses |                    |                    | <u>(11,534,036)</u>      | <u>(9,793,435)</u>      |
| Profit before income tax expense              |                    |                    | <u>14,307,620</u>        | <u>5,215,629</u>        |
| Income tax expense                            |                    |                    | <u>(3,934,091)</u>       | <u>(1,889,219)</u>      |
| Profit for the full-year                      |                    |                    | <u><u>10,373,529</u></u> | <u><u>3,326,410</u></u> |