

## ASX RELEASE

### LYCOPODIUM LIMITED 2014/15 RESULTS

27 August 2015

<b>Revenue</b>	:	<b>\$122.8 million</b>
<b>Loss Before Tax</b>	:	<b>\$1.62 million</b>
<b>Loss After Tax</b>	:	<b>\$1.02 million</b>
<b>Earnings Per Share</b>	:	<b>-2.3 cents per share</b>
<b>Total Dividend</b>	:	<b>1.5 cents per share</b>

For the financial year ended 30 June 2015, Lycopodium derived revenues of \$122.8 million and a net loss after tax of \$1.02 million.

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

The Directors have resolved not to pay a final dividend, which is in line with the dividend policy. The total dividend for the year is 1.5 cents fully franked.

During the 2014/15 financial year Lycopodium was subject to the continued downturn in the mining cycle and as a result our revenue and profit figures for the year were down on the preceding financial year. Specifically the loss reflects the reduction in workload across the group, the continued tightening of market conditions including competition for new work and the impacts of redundancies from staff reductions which totalled approximately \$2.5 million for the financial year. These impacts were previously advised in an earlier release in May 2015.

The poor result for 2014/15 has primarily resulted from a material deterioration in demand for the services provided by Lycopodium's Australian and Canadian based minerals business units located in Perth, Brisbane and Toronto. Notwithstanding that these minerals business units comprise a material part of Lycopodium's overall operations, Lycopodium is a diversified company and the majority of the other business units continue to operate profitably. This includes Lycopodium Process Industries, Lycopodium Rail, Orway Mineral Consultants, Lycopodium Infrastructure, 50% owned Pilbara EPCM and 74% owned ADP Holdings.

During the year Lycopodium finalised acquisition of a controlling interest in Cape Town South Africa based ADP Holdings (ADP) and has been progressively integrating ADP's business units into the Lycopodium group. This acquisition is a strategic initiative to further diversify and strengthen our overall business operations in Africa. Not only does ADP offer access to cost effective additional resources it opens up new markets, particularly in diamonds, to Lycopodium. Significant effort has been applied to this initiative and new opportunities are being identified.

Lycopodium has restructured its operations to accommodate the reduced level of activity through reduced overhead costs and is focused on working with our clients through these leaner times. Through innovation and collaboration we are confident we will maintain our hard earned relationships with our clients and be ready to take up opportunities when these eventually crystallise.

As a result of ongoing initiatives we are of the view that the company is well positioned to turn around the poor 2014/15 result and to return to profitability in the forthcoming financial year. Our balance sheet remains in a strong position based on our cash reserves and no debt and we believe that the benefits and

opportunities to flow from the ADP acquisition will begin to strengthen the company. While visibility into the future remains limited our view is that the company will be able to return to profitability in the 2015/16 financial period albeit the quantum may be small in comparison to previous years..

We will continue to actively monitor our forecasts, particularly given the uncertainty which remains in the market at this time.

Lycopodium is extremely proud of the achievements of our personnel over the last year. All of the projects completed during the year have successfully and safely ramped up to nameplate capacity for our clients. The Board of Directors acknowledges that the company's ability to continue to deliver world class services to our clients and to maintain and enhance the company's performance and capability is dependent on the continued commitment and support of our personnel.

#### **Dividend Entitlements**

No final dividend has been declared.

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**Lycopodium Ltd**  
**Segment reporting (unaudited)**  
**FYE 30 June 2015**

	Segment revenues		Segment results	
	Jun-15	Jun-14	Jun-15	Jun-14
EPCM	20,418,089	49,036,701	1,726,608	11,861,780
Design & construct (lump sum)	24,494,450	1,722,098	919,002	820,263
Study services	19,696,796	23,499,188	666,097	2,166,596
Project services	55,429,763	77,519,698	9,595,400	7,345,747
	<u>120,039,098</u>	<u>151,777,685</u>	<u>12,907,107</u>	<u>22,194,386</u>
Unallocated revenue	2,772,224	2,988,300	0	0
	<u>122,811,322</u>	<u>154,765,985</u>	<u>12,907,107</u>	<u>22,194,386</u>
Unallocated revenue less unallocated expenses			<u>(14,527,175)</u>	<u>(14,511,795)</u>
Profit before income tax expense			<u>(1,620,068)</u>	<u>7,682,592</u>
Income tax expense			<u>604,655</u>	<u>(3,973,206)</u>
Profit for the full-year			<u>(1,015,413)</u>	<u>3,709,386</u>