
APPENDIX 4D HALF YEAR REPORT FOR THE PERIOD ENDING 31 DECEMBER 2010

MASTERMYNE GROUP LIMITED
ABN 96 142 490 579

Reporting period: Half year ended 31 December 2010
Previous Corresponding period: Half year ended 31 December 2009

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	31 Dec 2010 \$'000	31 Dec 2009 \$'000	Change \$'000	Change %
Revenue from Ordinary Activities	73,626	46,142	27,484	59.6%
Net Profit after tax from ordinary activities (includes significant items)	4,425	3,728	697	18.7%
Underlying net profit after tax (excludes significant items)	4,554	3,728	826	22.2%

DIVIDENDS

The final dividend for the 2010 financial year was paid on 5 October 2010 at 1.2 cents per share fully franked.

The interim dividend for the half year ended 31 December 2010 will be 2.4 cents per share fully franked, with a record date of 18 March 2011 to be paid on 15 April 2011. The Company's dividend reinvestment plan is still not activated, therefore not operating for the 2010 interim dividend.

FINANCIAL RESULTS

Mastermyne Group Limited and its controlled subsidiaries recorded a profit after tax of \$4.425 million for the half year ended 31 December 2010, up 18.7% on the previous corresponding period. Included in the NPAT are some one off adjustments, summarised as follows:

- Impairment of Continuous Miner at Pike River Mine in New Zealand \$3.034 million (\$2.124 million after tax)
- Bad debt expense of \$0.525 million also in relation to Pike River (\$0.368 million after tax)
- Income Tax benefit of \$2.362 million as a result of forming a tax consolidated group.

The reconciliation to underlying profits is as follows:

Statutory Profit		
	31 Dec 2010 (\$000's)	31 Dec 2009 (\$000's)
Total Revenue	73,626	46,142
EBITDA	5,964	7,899
EBITA	3,720	5,841
Profit After Tax	4,425	3,728
EPS*	6 cps	8 cps
Diluted EPS*	6 cps	5 cps
DPS *	2.4cps	0.3 cps

* At 31 December 2009 Mastermyne Group Limited did not exist, all calculations are based on the equivalent weighted number of shares held in Mastermyne Pty Ltd as if the company had listed its securities on the ASX at that time.

Reconciliation of Underlying profit		
Adjustments	31 Dec 2010 (\$000's)	2009 (\$000's)
Impairment of Continuous Miner	3,034	
Tax on Impairment	(910)	
Bad debt write off	525	
Tax on Bad Debt	(158)	
Effects of entering into tax consolidation	(2,362)	
Underlying EBITDA	9,523	7,899
Underlying EBITA	7,279	5,841
Underlying Profit After Tax	4,554	3,728
Underlying EPS	6 cps	8 cps

Revenue was up 59.6% to \$73.626 million on the previous corresponding period, as a result of new contracts in the underground division. Contracts were ramped up in the short term through reallocation of labour and the use of subcontractors. This resulted in a reduction of margins while the contracts are in their ramp up phase, with margins expected to return to normal over the life of these contracts.

Net Assets of the Group increased \$4 million to \$37 million at the end of December. Working capital requirements increased for the period to meet the needs of the growing business and to service new contracts; as a result the Group had operating cash outflows of \$0.55 million. Cash flows from all activities are summarised as follows::

- net cash outflows from operating activities for the half year ended 31 December 2010 of \$0.545 million
- net cash outflows from investing activities for the half year ended 31 December 2010 of \$1.524 million
- net cash outflows from financing activities for the half year ended 31 December 2010 of \$4.397 million

NET TANGIBLE ASSET BACKING

	2010	2009
Net tangible assets per ordinary share (cents per share)	0.23	0.10

CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT

There were no entities or group of entities that control was gained over during the period

LOSS OF CONTROL OF ENTITIES HAVING A MATERIAL EFFECT

There were no entities or group of entities over which control was lost during the period

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