

APPENDIX 4E PRELIMINARY FINAL REPORT

MASTERMYNE GROUP LIMITED
ABN 96 142 490 579

Reporting period: Financial year ended 30 June 2011
Previous Corresponding period: Financial year ended 30 June 2010

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2011 \$'000	2010 \$'000	Change \$'000	Change %
Revenue from Ordinary Activities	164,830	98,163	66,667	67.91%
Profit for the year attributable to equity holders of the parent	11,742	4,775	6,967	145.91%

DIVIDENDS

DIVIDEND	Record Date	Payment Date	Amount per Security	Franked Amount per Security
Final Dividend for year ended 30 June 2011	28/09/2011	13/10/2011	3.7 cps	3.7 cps
Interim Dividend for year ended 30 June 2011	18/03/2011	15/04/2011	2.4 cps	2.4 cps
Final Dividend for year ended 30 June 2010	28/09/2010	05/10/2010	1.2 cps	1.2 cps

FINANCIAL RESULTS

Profit for the year

The Group revenue increased 68% to \$164.830 million in FY2011 (2010: \$98.163 million), increases were across all divisions of the business, with the most significant increase \$62.9 million from the Underground division. This is a direct result of securing three new contracts across Queensland and New South Wales.

Net profit after tax for the year was \$11.742 million (2010: \$4.775 million). Increased profits are result of growth in revenues, prior year one off expenses associated with the IPO and business acquisitions of \$3.618 million (pre-tax) and a one off tax benefit of \$2.362 million in the year ending 30 June 2011 as a result of forming a tax consolidated group. These were partly offset by a net expense of \$0.593 (pre-tax) million as a result of an explosion at Pike River Coal Mine consisting of an asset impairment, receivable impairment and an insurance receivable.

This report is based on results that have been audited please refer to the annual financial statements lodged with the ASX on 24 August 2011

Proforma Actual vs Proforma Forecast			
(\$'000)	Ref.	FY2011	FY2011
		Pro forma	Pro forma
		Actual	Forecast
Total Revenue		164,830	133,403
Statutory EBITDA		20,358	19,628
Adjustments	1	593	-
EBITDA		20,951	19,628
Depreciation		(4,788)	(4,952)
EBITA		16,163	14,676
Amortisation		(586)	(590)
EBIT		15,577	14,086
Net interest expense		(1,589)	(1,231)
Profit before tax		13,987	12,855
Adjustments	2	(2,540)	
Tax expenses		(1,653)	(3,960)
Profit after tax		9,794	8,895

- During the period to the year ending 30 June 2011, Mastermyne Pty Ltd a legal entity in the Underground division of the Group, entered into a dry hire arrangement for an underground continuous miner (ABM20) with Pike River Coal in New Zealand. On 19 November 2010 there was an explosion underground ceasing mining operations. A recovery effort subsequently commenced at the mine. By 31 December 2010 the mine experienced 3 more explosions, increasing gas levels and temperatures and significantly hampering efforts to re-enter the mine. The \$0.593 million is the net effect of all adjustments in relation to this event including, impairment of the asset, a receivable for the insurance and an impairment of the outstanding receivables to Pike River Coal Ltd.
- As a result of forming a tax consolidated group taking effect from 7 May 2010, the Group was able to recognise a one off tax benefit of \$2.362 million; the remaining \$0.178 million represents the tax effect of the adjustments in item 1 above.

CONSOLIDATED INCOME STATEMENT For the year ended 30 June 2011

In thousands of AUD

	2011	2010
Continuing operations		
Revenue	164,830	98,122
Other income	3,833	41
Contract disbursements	(26,604)	(15,406)
Personnel expenses	(111,581)	(62,742)
Office expenses	(5,049)	(3,484)
Depreciation and amortisation expense	(5,374)	(4,642)
Impairment loss	(3,034)	-
Other expenses	(2,037)	(3,723)
Results from operating activities	<u>14,984</u>	<u>8,166</u>
Finance income	63	155
Finance expense	(1,652)	(1,213)
Net finance expense	<u>(1,589)</u>	<u>(1,058)</u>
Profit before income tax	13,395	7,108
Income tax expense	(1,653)	(2,333)
Profit for the period	<u>11,742</u>	<u>4,775</u>
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income for the period	<u>11,742</u>	<u>4,775</u>
Attributable to:		
Equity holders of the Company	11,742	4,775
Minority interest	-	-
Profit for the period	<u>11,742</u>	<u>4,775</u>
Earnings per share		
Basic earnings per share (AUD)	0.16	0.09
Diluted earnings per share (AUD)	<u>0.16</u>	<u>0.09</u>

Please refer to the annual financial statements lodged with the ASX on 24 August 2011, for the notes to the Consolidated Income Statement.

CONSOLIDATED BALANCE SHEET At 30 June 2011

In thousands of AUD

	2011	2010
Assets		
Cash and cash equivalents	6,020	8,718
Trade and other receivables	31,929	11,928
Inventories	1,654	1,357
Total current assets	39,603	22,003
Deferred tax assets	-	652
Property, plant and equipment	30,680	19,670
Intangible assets	20,253	20,584
Total non-current assets	50,933	40,906
Total assets	90,536	62,909
Liabilities		
Trade and other payables	18,808	10,419
Loans and borrowings	5,955	6,184
Employee benefits	3,846	2,503
Current tax payable	1,195	2,026
Total current liabilities	29,804	21,132
Loans and borrowings	17,135	7,847
Employee benefits	87	28
Deferred tax liabilities	684	823
Total non-current liabilities	17,906	8,698
Total liabilities	47,710	29,830
Net assets	42,826	33,079
Equity		
Share capital	49,124	48,610
Reserves	(22,907)	(23,034)
Retained earnings	16,609	7,503
Total equity	42,826	33,079

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2011

In thousands of AUD

	2011	2010
Cash flows from operating activities		
Cash receipts from customers	165,189	106,510
Cash paid to suppliers and employees	(152,098)	(88,507)
Cash generated from operations	13,091	18,003
Interest paid	(1,726)	(1,304)
Income tax paid	(1,972)	(1,600)
Net cash flows from/(used in) operating activities	9,393	15,099
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	343	1,921
Acquisition of property, plant and equipment	(3,131)	(2,256)
Interest received	63	155
Business acquisition, net of cash acquired	-	(2,390)
Net cash flows from/(used in) investing activities	(2,725)	(2,570)
Cash flows from financing activities		
Proceeds from issue of share capital, net of issue costs	-	37,478
Buyback of shares on group restructure	-	(24,237)
Payment in relation to share buy-back	-	(13,496)
Proceeds from uncalled capital	-	376
Proceeds from exercise of share options	-	291
Proceeds from borrowings	532	2,436
Repayment of borrowings	(7,262)	(11,900)
Dividends paid	(2,636)	(359)
Net cash flows from/(used in) financing activities	(9,366)	(9,411)
Net increase/(decrease) in cash and cash equivalents	(2,698)	3,118
Cash and cash equivalents at beginning of period	8,718	5,600
Cash and cash equivalents at end of period	6,020	8,718

Statement of changes in equity
For the year ended 30 June 2011

In thousands of AUD

	Share capital	Retained earnings	Share-based payment reserve	Other contributed equity	Common Control Reserve	Total
Consolidated						
Balance at 1 July 2009 (restated)	9,686	6,446	450	8,083	-	24,665
<i>Total comprehensive income for the period</i>						
Profit for the period	-	4,775	-	-	-	4,775
Total comprehensive income for the period	-	4,775	-	-	-	4,775
<i>Transactions with owners recorded directly in equity</i>						
Issue of ordinary shares for cash	40,000	-	-	-	-	40,000
Issue of ordinary shares to settle contingent consideration	310	-	-	-	-	310
Share options exercised	291	-	-	-	-	291
Capital Paid up	376	-	-	-	-	376
Share-buy back	(2,053)	(3,359)	-	(8,083)	-	(13,495)
Share-based payment transactions	-	-	753	-	-	753
Dividends to equity holders	-	(359)	-	-	-	(359)
Group Restructure	-	-	-	-	(24,237)	(24,237)
Total contributions by and distributions to owners	38,924	(3,718)	753	(8,083)	(24,237)	3,639
Balance at 30 June 2010	48,610	7,503	1,203	-	(24,237)	33,079
Balance at 1 July 2010	48,610	7,503	1,203	-	(24,237)	33,079
<i>Total comprehensive income for the period</i>						
Profit for the period	-	11,742	-	-	-	11,742
Total comprehensive income for the period	-	11,742	-	-	-	11,742
<i>Transactions with owners recorded directly in equity</i>						
Issue of ordinary shares to settle contingent consideration	514	-	-	-	-	514
Share-based payment transactions	-	-	127	-	-	127
Dividends to equity holders	-	(2,636)	-	-	-	(2,636)
Total contributions by and distributions to owners	514	(2,636)	127	-	-	(1,995)
Balance at 30 June 2011	49,124	16,609	1,330	-	(24,237)	42,826

EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2011 was based on the profit attributable to ordinary shareholders of \$11,742 thousand (2010: \$4,775 thousand) and a weighted average number of ordinary shares outstanding of 73,202,722 (2010: 50,392,827), calculated as follows.

Profit attributable to ordinary shareholders

<i>In thousands of AUD</i>	2011	2010
Profit for the period	4,775	6,149
Profit attributable to ordinary shareholders	<u>4,775</u>	<u>6,149</u>

Weighted average number of ordinary shares

<i>Number of shares</i>	2011	2010
Issued ordinary shares at 1 July	72,897,598	46,666,241
Effect of share options exercised	-	309,177
Effect of shares issued	305,124	5,903,840
Effect of share buyback	-	(719,866)
Effect of scrip for cash buyback	-	(1,766,565)
Weighted average number of ordinary shares at 30 June	<u>73,202,722</u>	<u>50,392,827</u>

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2011 was based on profit attributable to ordinary shareholders of \$11,742 thousand (2010: \$4,775 thousand) and a weighted average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares of 73,202,722 (2010: 50,392,827), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

In thousands of AUD

	2011	2010
Profit for the period		
	11,742	4,775
Dividends on non-redeemable preference shares	-	-
Profit attributable to ordinary shareholders	11,742	4,775

Weighted average number of ordinary shares (diluted)

Number of shares

	2011	2010
Weighted average number of ordinary shares (diluted) at 30 June	50,392,827	71,942,637

NET TANGIBLE ASSET BACKING

	2011	2010
Net tangible assets per ordinary share (cents per share)	0.31	0.17

Business Segments

	Underground mining services		Engineering and fabrication		Electrical and Mechanical Services		Consolidated	
<i>In thousands of AUD</i>	2011	2010	2011	2010	2011	2010	2011	2010
External revenues	150,088	87,168	13,469	8,778	1,272	2,176	164,830	98,122
Intersegment revenue	396	123	1,975	845	4,312	787	6,683	1,755
Depreciation and amortisation	(4,683)	(4,093)	(394)	(507)	(49)	(41)	(5,126)	(4,640)
Net finance costs	(1,551)	(1,062)	(5)	13	(0)	(9)	(1,556)	(1,058)
Share of profit of equity accounted investees							-	
Reportable Segment profit/(loss) before income tax	9,953	9,900	1,097	564	(790)	(74)	10,261	10,390
Other material non cash items:								
Impairment on property, plant and equipment and intangible assets	(3,047)						(3,047)	
Segment assets	69,202	43,292	14,381	13,321	5,000	5,691	88,583	62,304
Capital expenditure	18,757	5,970	210	42	212	19	19,007	6,031
Segment liabilities	(47,743)	28,446)	(2,284)	(1,432)	141	(75)	(49,885)	(29,953)

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

in thousands of AUD

	2011	2010
Revenues		
Total revenue for reportable segments	171,512	99,877
Elimination of inter-segment revenue	(6,683)	(1,755)
Consolidated revenue	164,830	98,122
Profit or loss		
Total profit or loss for reportable segments	10,261	10,390
Elimination of inter-segment profits	(505)	(344)
Unallocated amounts: other corporate expenses	(4)	(2,938)
Consolidated profit before income tax	9,751	7,108
Assets		
Total assets for reportable segments	88,583	62,304
Other assets	645	605
Consolidated total assets	89,228	62,909
Liabilities		
Total liabilities for reportable segments	49,885	29,953
Other liabilities	(963)	(123)
Consolidated total liabilities	48,922	29,830

CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT

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

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 Grand Mercure Suites
9 Gregory Street
MACKAY QLD 4740

Date: 29 November 2011

Time: 11.00am