

APPENDIX 4E PRELIMINARY FINAL REPORT

MASTERMYNE GROUP LIMITED
ABN 96 142 490 579

Reporting period: Financial year ended 30 June 2013
Previous Corresponding period: Financial year ended 30 June 2012

RESULTS FOR ANNOUNCEMENT TO THE MARKET

	2013 \$'000	2012 \$'000	Change \$'000	Change %
Revenue from Ordinary Activities	248,836	271,995	(23,159)	-8.5%
Profit for the year attributable to equity holders of the parent	11,514	14,664	(3,150)	-21.48%

DIVIDENDS

DIVIDEND	Record Date	Payment Date	Amount per Security	Franked Amount per Security
Final Dividend for year ended 30 June 2013	27/09/2013	16/10/2013	3.6 cps	3.6 cps
Interim Dividend for year ended 30 June 2013	15/03/2013	05/04/2013	3.3 cps	3.3 cps
Final Dividend for year ended 30 June 2012	28/09/2012	16/10/2012	4.8 cps	4.8 cps

FINANCIAL RESULTS

Profit for the year

The Group revenue decreased by 8.5% to \$248.836 million in FY2013 (2012: \$271.955 million), largely as a result of the impact of the Newstan project finishing six months earlier than forecast. The majority of the revenue decrease was in the Underground division which was impacted by the early contract completion and revenues, including intersegment revenue, was down 17.4% to \$206.380 million (2012: \$249.972 million). Profit margins in the Underground division were negatively impacted by asset utilisation dropping off in the second half of FY2013. Utilisation declined as equipment was demobilised from the Newstan Contract along with some contraction on other projects in the Underground division. We were also impacted by the under utilisation of the training centres which are driven by demand for labour.

The Engineering division revenues including intersegment revenue dropped by 20.9% to \$19.290 million in FY2013 (2012: \$24.374 million), as a result of the decrease in demand for products as the sector focused on cost reduction. The FY2013 result was not impacted as significantly as previous slowdowns due to the diversified and strengthened revenue streams in the consumable area of the business. This area of the business is closely tied to production and we have seen continued strong coal volumes. Profit margins for the Engineering division were down in FY2013 as a result of the reduced volume of work which counters the fixed cost component of the Division.

The Services division delivered a strong result with revenues including intersegment revenue up \$30.346 million to \$36.772 million in FY2013 (2012: \$6.426 million). The increased revenues and profit margins were the result of the full year effect of a contract won in FY2012 and delivered in this financial year.

The Group Net profit after tax for was down in FY2013 to \$11.529 million (2012: \$14.664 million), due to reduced revenues and reduced margins as detailed above.

This report is based on results that have been audited, please refer to the annual financial statements lodged with the ASX on 28 August 2013.

CONSOLIDATED INCOME STATEMENT
For the year ended 30 June 2013

In thousands of AUD

	2013	2012
Revenue	248,836	271,955
Other income	745	451
Contract disbursements	(48,998)	(52,100)
Personnel expenses	(165,739)	(181,610)
Office expenses	(6,749)	(6,007)
Depreciation and amortisation expense	(7,930)	(6,606)
Other expenses	(2,217)	(1,125)
Results from operating activities	17,948	24,958
Finance income	361	237
Finance expense	(1,801)	(1,445)
Net finance expense	(1,440)	(1,208)
Profit before income tax	16,508	23,750
Income tax expense	(4,979)	(9,086)
Profit (loss) from discontinued operation, net of income tax	-	-
Profit for the period	11,529	14,664
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income for the period	11,559	14,664
Attributable to:		
Owners of the Company	11,514	14,664
Non-controlling interests	15	-
Profit for the period	11,529	14,664
Earnings per share		
Basic earnings per share (AUD)	0.15	0.20
Diluted earnings per share (AUD)	0.15	0.20

Please refer to the annual financial statements lodged with the ASX on 28 August 2013 for the notes to the Consolidated Income Statement.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
At 30 June 2013

In thousands of AUD

	2013	2012
Assets		
Cash and cash equivalents	10,223	13,328
Trade and other receivables	40,906	49,859
Inventories	2,332	1,933
Total current assets	53,461	65,120
Deferred tax assets	-	469
Property, plant and equipment	32,760	39,099
Intangible assets	20,040	19,696
Total non-current assets	52,800	59,264
Total assets	106,261	124,384
Liabilities		
Trade and other payables	15,274	27,660
Loans and borrowings	6,732	5,371
Employee benefits	8,762	8,350
Current tax payable	1,398	9,100
Total current liabilities	32,166	50,481
Loans and borrowings	11,442	19,068
Employee benefits	120	104
Deferred tax liabilities	1,637	-
Total non-current liabilities	13,199	19,172
Total liabilities	45,365	69,653
Net assets	60,896	54,731
Equity		
Share capital	50,964	50,964
Reserves	(22,077)	(22,456)
Retained earnings	31,632	26,223
Total equity attributable to equity holders of the Company	60,519	54,731
Non-controlling interests	377	-
Total equity	60,896	54,731

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 June 2013

In thousands of AUD

	2013	2012
Cash flows from operating activities		
Cash receipts from customers	285,945	290,802
Cash paid to suppliers and employees	(262,904)	(263,585)
Cash generated from operations	23,041	27,217
Interest paid	(1,801)	(1,445)
Income tax paid	(10,656)	(2,333)
Net cash flows from operating activities	10,584	23,439
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	958	128
Acquisition of property, plant and equipment	(1,989)	(6,154)
Acquisition of intangibles	-	(26)
Interest received	361	237
Acquisition of subsidiary, net of cash acquired	(650)	-
Net cash flows used in investing activities	(1,320)	(5,815)
Cash flows from financing activities		
Proceeds from exercise of share options	-	1,840
Proceeds from borrowings	5,331	1,388
Repayment of borrowings	(11,595)	(8,494)
Dividends paid	(6,105)	(5,050)
Net cash flows used in financing activities	(12,369)	(10,316)
Net increase/(decrease) in cash and cash equivalents	(3,105)	7,308
Cash and cash equivalents at beginning of period	13,328	6,020
Cash and cash equivalents at end of period	10,223	13,328

STATEMENT OF CHANGES IN EQUITY
For the year ended 30 June 2013

In thousands of AUD

	Attributable to owners of the Company				Non-Controlling interests	Total
	Share capital	Retained earnings	Share-based payment reserve (note 20)	Common Control Reserve (note 20)		
Consolidated						
Balance at 1 July 2011	49,124	16,609	1,330	(24,237)	-	42,826
Total comprehensive income for the period						
Profit for the period	-	14,664	-	-	-	14,664
Total comprehensive income for the period	-	14,664	-	-	-	14,664
Transactions with owners recorded directly in equity						
Share options exercised	1,840	-	-	-	-	1,840
Share-based payment transactions	-	-	451	-	-	451
Dividends to equity holders	-	(5,050)	-	-	-	(5,050)
Total contributions by and distributions to owners	1,840	(5,050)	451	-	-	(2,759)
Balance at 30 June 2012	50,964	26,223	1,781	(24,237)	-	54,731
Balance at 1 July 2012	50,964	26,223	1,781	(24,237)	-	54,731
Total comprehensive income for the period						
Profit for the period	-	11,514	-	-	15	11,529
Total comprehensive income for the period	-	11,514	-	-	15	11,529
Transactions with owners recorded directly in equity						
Share-based payment transactions	-	-	379	-	-	379
Dividends to equity holders	-	(6,105)	-	-	-	(6,105)
Acquisition of subsidiary with non-controlling interests	-	-	-	-	362	362
Total contributions by and distributions to owners	-	(6,105)	379	-	362	(5,364)
Balance at 30 June 2013	50,964	31,632	2,160	(24,237)	377	60,896

EARNINGS PER SHARE

Basic earnings per share

The calculation of basic earnings per share at 30 June 2013 was based on the profit attributable to ordinary shareholders of \$11,514 thousand (2012: \$14,664 thousand) and a weighted average number of ordinary shares outstanding of 75,368 thousand (2012: 74,918 thousand), calculated as follows:

Profit attributable to ordinary shareholders

<i>In thousands of AUD</i>	2013	2012
Profit attributable to ordinary shareholders	11,514	14,664

Weighted average number of ordinary shares

<i>In thousands of shares</i>	2013	2012
Issued ordinary shares at 1 July	75,368	73,368
Effect of share options exercised	-	1,551
Weighted average number of ordinary shares at 30 June	75,368	74,919

Diluted earnings per share

The calculation of diluted earnings per share at 30 June 2013 was based on the profit attributable to ordinary shareholders of \$11,514 thousand (2012: \$14,664 thousand) and a weighted average number of ordinary shares outstanding of 75,368 thousand (2012: 74,919 thousand), calculated as follows:

Profit attributable to ordinary shareholders (diluted)

<i>In thousands of AUD</i>	2013	2012
Profit attributable to ordinary shareholders	11,514	14,664

Weighted average number of ordinary shares (diluted)

<i>In thousands of shares</i>	2013	2012
Weighted average number of ordinary shares (basic)	75,368	74,919
Weighted average number of ordinary shares (diluted) at 30 June	76,958	74,919

NET TANGIBLE ASSET BACKING

	2013	2012
Net tangible assets per ordinary share (dollars per share)	0.54	0.46

Business Segments

	Underground mining services		Engineering and fabrication		Electrical and Mechanical Services		Consolidated	
<i>In thousands of AUD</i>	2013	2012	2013	2012	2013	2012	2013	2012
External revenues	194,251	242,980	17,819	22,618	36,766	6,357	248,836	271,955
Intersegment revenue	12,129	6,992	1,471	1,756	6	69	13,606	8,817
Depreciation and amortisation	(7,336)	(5,937)	(270)	(329)	(33)	(49)	(7,639)	(6,315)
Net finance costs	(1,425)	(1,206)	(2)	(2)	(13)	-	(1,440)	(1,208)
Reportable Segment profit/(loss) before income tax	9,864	21,979	1,705	3,041	5,212	(921)	16,781	24,099
Other material non-cash items:								
Segment assets	80,661	97,833	13,797	17,436	11,803	8,812	106,261	124,081
Capital expenditure	2,310	14,151	62	388	-	69	2,364	14,608
Segment liabilities	(39,508)	(67,107)	(1,557)	(2,787)	(6,350)	(828)	(47,415)	(70,722)

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

in thousands of AUD

	2013	2012
Revenues		
Total revenue for reportable segments	262,442	280,772
Elimination of inter-segment revenue	(13,606)	(8,817)
Consolidated revenue	248,836	271,955
Profit or loss		
Total profit or loss for reportable segments	16,781	24,099
Elimination of inter-segment profits	(14,063)	(350)
Unallocated amounts: other corporate expenses	13,790	1
Consolidated profit before income tax	16,508	23,750
Assets		
Total assets for reportable segments	106,261	124,081
Other assets	-	303
Consolidated total assets	106,261	124,384
Liabilities		
Total liabilities for reportable segments	47,415	70,722
Unallocated amounts: corporate tax liability	(2,050)	(1,069)
Consolidated total liabilities	45,365	69,653

CONTROL GAINED OVER ENTITIES HAVING A MATERIAL EFFECT

During the period the group acquired 66.6% of the shares in 4Sight Training Solutions Pty Ltd. Further details of the gain in control can be found in the notes to the 30 June 2013 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: 25 November 2013

Time: 11.00am