

BISALLOY STEEL GROUP LIMITED
A.C.N. 098 674 545
Appendix 4E – Preliminary Final Report
Financial year ended 30 June 2016
Results for announcement to the market

| | | Absolute Change | | FY16 \$'000 | FY15 \$'000 |
|--------------------------------|------|--------------------|----|----------------|----------------|
| Revenue | Down | 9.8% | to | 55,030 | 60,979 |
| Profit before tax | Down | 35.4% | to | 2,765 | 4,281 |
| Profit after tax | Down | 38.2% | to | 1,741 | 2,819 |
| Profit attributable to members | Down | 38.1% | to | 1,541 | 2,490 |

| Dividends | Amount per share | Franked amount per share |
|--|------------------|--------------------------|
| <u>Financial year ended 30 June 2016</u> | | |
| Final dividend (fully franked) | 2.5 cps | 100% |
| Interim dividend | Nil | Nil |
| <u>Financial year ended 30 June 2015</u> | | |
| Final dividend (fully franked) | 4.0 cps | 100% |
| Interim dividend | Nil | Nil |
| Record date for determining entitlements to the dividend | 8 November 2016 | |

| | FY16 | FY15 |
|--------------------------------------|---------|---------|
| Other | | |
| Net tangible asset backing per share | 51.1cps | 51.9cps |

Overview

1. Bisalloy Steel Group Ltd (“the Group”) delivered a FY16 Profit before tax of \$2.765m, representing a 35.4% decrease on the prior year profit. In the second half of FY16, following the appointment of Voluntary Administrators to oversee the affairs of one of the Group’s three main distributors in Australia on 7 April 2016, the Group experienced a reduction in sales in the short term as markets normalised.
2. Group net debt increased to \$7.7m at 30 June 2016, up from \$3.6m at 30 June 2015, adversely impacted by both the short-term reduction in demand following the appointment of a Voluntary Administrator to one of the one of the Group’s three main distributors in Australia, and the outstanding receivable due from that distributor.

3. The Group's distribution subsidiaries in Indonesia and Thailand continued to operate profitably over FY16 and made a positive contribution to the Group result.
4. The Group's cooperative joint venture (CJV) for the production and sale of quench & tempered steel into China and other North Asian markets remains profitable and the original investment has been fully recouped. Dividends received from the CJV during the year amounted to \$0.3m. The CJV generated a total operating profit before tax of \$1.8m, which after local taxes resulted in a 50% contribution to the Group of \$0.6m for FY16.

Controlled entities acquired or disposed.

No material control over any entities was gained or disposed of during the financial year ended 30 June 2016.

Audit

This report is based on financial statements that have been audited and an unqualified opinion has been issued.



Greg Albert
Managing Director

Sydney
25 August 2016