

BISALLOY STEEL GROUP LIMITED
A.C.N. 098 674 545
Appendix 4E – Preliminary Final Report
Financial year ended 30 June 2015
Results for announcement to the market

		Absolute Change		FY15 \$'000	FY14 \$'000
Revenue	Up	10.6%	to	60,979	55,146
Profit/(Loss) before tax	Up	399.2%	to	4,281	(1,431)
Profit/(Loss) after tax	Up	302.2%	to	2,819	(1,394)
Profit/(Loss) attributable to members	Up	250.9%	to	2,490	(1,650)

Dividends	Amount per share	Franked amount per share
<u>Financial year ended 30 June 2015</u>		
Final dividend (fully franked)	4.0 cps	100%
Interim dividend	Nil	Nil
<u>Financial year ended 30 June 2014</u>		
Final dividend (fully franked)	Nil	Nil
Interim dividend	Nil	Nil
Record date for determining entitlements to the dividend	6 November 2015	

	FY15	FY14
Other		
Net tangible asset backing per share	51.9cps	43.0cps

Overview

1. Bisalloy Steel Group Ltd (“the Group”) delivered a FY15 Profit before tax of \$4.281m, representing a 399% increase on the prior year loss. The significant improvement in FY15 was underpinned by the restructuring undertaken in FY14 providing a lower cost base for the business, combined with a recovery in the Australian domestic market share due to the successful Anti-Dumping case pursued by the Group. An increase in sales tonnes flowed through to higher production levels which provided manufacturing efficiencies that are possible due to the Group’s highly automated and efficient processing capabilities at Unanderra. Despite a reduction in capital investment by the major miners, signs of increased repairs and maintenance spending due to high production outputs have been seen in some sectors.
2. Group net debt reduced to \$3.6m at 30 June 2015, down from \$10.1m at 30 June 2014, supported by free cash flow. The Group’s finance facility was renewed on 30 June 2015 and is in place through to 30 June 2018.

3. The Directors have proposed a re-introduction of dividends with a final dividend for the FY2015 year of 4.0 cps, fully franked. The Dividend Reinvestment Plan will apply to the final dividend with a discount of 5% to the weighted average market price of shares in the Company traded on the Australian Stock Exchange Ltd on the record date and the nine business days immediately after that date. If not already registered, the last date for receipt of an election notice for participation in the dividend reinvestment plan is 5:00 pm on 6 November 2015.
4. The Group's distribution subsidiaries in Indonesia and Thailand continued to operate profitably over FY15 despite difficult business conditions in both markets. Improvement plans implemented in FY15 should deliver increased profits from these businesses in the coming year.
5. The Group's co-operative joint venture (CJV) for the production and sale of quench & tempered steel into China and other North Asian markets continues its steady sales and profit growth in a highly competitive market with sales revenue increasing by 119% to \$ 12.3m in FY15. The CJV generated a total operating profit before tax of \$1.6m, which after local taxes resulted in a 50% contribution to the Group of \$0.5m for FY15. Dividends received from the CJV during the year amounted to \$0.3m. The Group's original US\$ 1.0m investment in the CJV has now been fully recouped.

Controlled entities acquired or disposed.

No material control over any entities was gained or disposed of during the financial year ended 30 June 2015.

Audit

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



Robert Terpening
Managing Director

Sydney
25 August 2015