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30 January 2015

ASX RELEASE

Chief Executive Officer Second Quarter FY2015 Update

The results for the first half of financial year 2015 have delivered continued growth for Site Group International ("Site" ASX:SIT).

Unaudited half year revenue is in excess of \$20 million (AUD) with \$1.1 million Earnings Before Interest, Tax, Depreciation and Amortisation (EBITDA). In line with expectations, seasonality negatively impacted December (and is expected to do so in January) however due to diversification the impact has been less than previous years.

Pleasingly Site has increased revenue more than 160% over the previous corresponding period (1H FY14). Cash reserves have continued to fluctuate as a result of the increasing receivables in line with the current growth strategy however the quality of the debtors is strong. As reported in the attached quarterly cash flow Appendix 4C, the Wayburn loan facility was drawn to \$2.4M at 31 December 2014. However this was repaid in full by the middle of January due to the timing of receipts.

Opportunity highlights for the period include our Clark Facility in the Philippines building an underground mining facility with financial support from OceanaGold. This is expected to be operational in April and presents a significant increase in capability for the facility.

Site is currently in negotiations to significantly increase our capability to service the Energy, Oil & Gas and Construction Industries at our Clark Training Facility. It is expected that this additional capability will be implemented in the fourth quarter of FY2015 and should contribute strongly to Clark's revenues in the first half of FY2016.

Integration of the recently acquired Competent Project Management continues and is currently going through a rebranding process to "*Site Group International Energy Division*". It is expected that this business unit will execute some of its current opportunities to Engineer, Procure & Construct (EPC) Live Process Plant Environments in PNG, Indonesia, Malaysia and the Middle East. Upon completion of the EPC phase some clients request Operations and Maintenance technician programs to be delivered. The specialised nature and high barrier to entry of this work results in sound margins for services that are in strong demand from industry.

The Myanmar Live Process Plant Environment has been commissioned and is now fully operational. A grand opening with our partner Uniteam is planned with industry and government officials for March. Site expects an ageing workforce and nationalisation agendas to continue to drive growth in emerging Oil & Gas economies.

The Port Moresby facility (former Exxon Mobil POMCTF facility) previously announced to the market on the 24th of November should deliver its first scheduled training in February and there are significant growth opportunities. We expect to see growth at both the South Pacific Employment Institute (SPEI) facility as well as regional opportunities.

Site Skills Training in Australia continues to deliver a consistent performance despite an industry downturn being experienced in QLD and WA. This is indicative of a growing market share which reflects the quality of services being delivered relative to our competitors.

We have made a very conscious effort to invest in systems and technologies which has enabled us to accommodate substantial growth. It is expected that these investments will continue to deliver returns for the business as we drive for increased margins through cost initiatives and leveraging existing clients, facilities and services.

Since shareholders unanimously voted in favour of the acquisition of Productivity Partners on the 23rd of June 2014, management has been successful in integrating the business and delivering strong returns.

Key achievements include the development of an internal sales team, integration of shared service functions, retention of key management personnel, and delivery of programs at five new locations. In January 2015, the business also achieved RTO registration renewal for a further 5 years. I would like to congratulate our management team for the results delivered since the completion of the acquisition of Productivity Partners.

The second half of Financial Year 2015 will see a continued focus on delivering shareholder returns utilising existing assets and capability. This will be achieved through the conversion of current sales pipeline opportunities internationally, growth in domestic sales and carefully controlling any increase of our current cost base.

Site will continue to consider earnings accretive acquisition opportunities which exist in the market however our current platform enables us to be very selective in our approach to M&A.

For further information contact:

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Site Group International Limited

ABN

73 003 201 910

Quarter ended ("current quarter")

31 December 2014

Consolidated statement of cash flows

Cash flows related to operating activities	Current Quarter \$A'000	Year to date (6 months) \$A'000
1.01 Receipts from customers	9,859	17,866
1.02 Payments for (a)staff costs	(3,103)	(5,628)
(b)advertising and marketing	(118)	(287)
(c)research and development		
(d)leased assets	(6)	(11)
(e)other working capital	(7,672)	(14,351)
1.03 Dividends received	-	-
1.04 Interest and other items of a similar nature received	6	16
1.05 Interest and other costs of finance paid	(7)	(12)
1.06 Income taxes paid	(35)	(136)
1.07 Other (provide details if material)	-	-
Net operating cash flows	(1,076)	(2,543)

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current Quarter \$A'000	Year to date (6 months) \$A'000
1.08 Net operating cash flows (carried forward)	(1,076)	(2,543)
Cash flows related to investing activities		
1.09 Payment for acquisition of:		
(a) businesses (item 5)	(205)	(434)
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(247)	(584)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (Cash securing bank guarantees)	(31)	(291)
Net investing cash flows	(483)	(1,309)
1.14 Total operating and investing cash flows	(1,559)	(3,852)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings (includes convertible notes)	2,400	2,400
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (Transaction costs on shares issued)	-	(16)
Net financing cash flows	2,400	2,384
Net increase (decrease) in cash held	841	(1,468)
1.21 Cash at beginning of quarter/year to date	856	3,143
1.22 Exchange rate adjustments to item 1.20	15	37
1.23 Cash at end of quarter	1,712	1,712

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current Quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.02	106
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

The payments at 1.24 are for management fees and directors fees.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

N/A

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

N/A

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	4,000	2,400
3.2	Credit standby arrangements	-	-

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Appendix 4C
Quarterly report for entities
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Reconciliation of cash


Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current Quarter \$A'000	Previous Quarter \$A'000
4.1 Cash on hand and at bank	1,712	857
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	1,712	857

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date:30 January 2015.....
 (Director/Company secretary)

Print name:Vernon Wills.....

Notes

+ See chapter 19 for defined terms.

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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