

31 October 2016

Market Update and Appendix 4C

Site Group International Limited ("Site", ASX:SIT) is pleased to release its Appendix 4C quarterly cash flow and report (unaudited) for the quarter ending 30 September 2016. The quarter produced revenues of \$12,266,000 with an EBITDA of \$3,142,000. This compares favourably against the corresponding quarter 2015 where revenues were \$8,408,000 and EBITDA was negative -\$1,235,000.

Overall the results are pleasing however the education sector in Australia still faces challenges in adapting to the yet to be finalised rules for student loans in 2017. In addition, as Site recently announced the responsible Federal Government departments are still to finalise reconciliation payments for the 2015 calendar year of which Site has an outstanding receivable of approximately \$35 million.

The new rules surrounding the Student Loan Scheme which replaces the VET FEE-HELP scheme from 1 January 2017 still need to be passed through Parliament. Site will keep shareholders appraised of further developments relevant to subsidiary Productivity Partners as information becomes available.

Site's Australian business continues to perform broadly in line with expectations with the Apprenticeship division and the relatively new International student focused CRICOS area gaining momentum. Apprenticeships division is having a solid positive impact on performance at trade training facilities at Gladstone, Landsborough, Logan, Darwin and Belmont. There is no doubt commodity prices across the mining, oil and gas industries continue to have an impact with revenue growth stable and Site looking for the newer offerings to add to the performance of these centres.

Wild Geese, having recently renewed contracts for the next two years continues to perform in line with expectations.

International

Site's International business is showing steady performance with incremental growth being experienced in Clark (Philippines) and in other locations such as Saudi Arabia.

This week Site hosted a 35 person delegation of Industry from Papua New Guinea led by Site, Orion and Kumul Petroleum. Representatives included Minister for Education Hon. Francis Marus and a number of senior officials from the Oil and Gas, Mining and construction Industries to view the Safe Live Process Plant (SLPP).

Site



Site CEO Vernon Wills with PNG Minister for Education Hon. Francis Marus and Kumul Petroleum's General Manager Shared Services Luke Liria.

The SLPP reached mechanical completion at the end of September and after viewing by the delegation is being prepared to be shipped to PNG to commence installation. The installation will include the Yokogawa control room equipment being shipped from Singapore ready to be installed at the SPEI facility in Port Moresby early in the new year.

In addition, the training area for GE subsidiary Granite Services is nearly ready to accept the turbine installation with work finalising on the installation of the 35 tonne gantry crane.

The Myanmar SLPP in Yangon is expecting to commence training a new cohort of SLPP candidates in November after the completion of the Posco Daewoo III Technician Development Program on 30 September.

Site has several prospective tenders in the Middle East and Singapore which are potential new business gains for 2017.

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Media and Investors

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Appendix 4C

Quarterly report for entities subject to Listing Rule 4.7B

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10, 01/09/16

Name of entity

Site Group International Limited

ABN

73 003 201 910

Quarter ended ("current quarter")

30 September 2016

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	10,159	10,159
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(204)	(204)
(d) leased assets	(17)	(17)
(e) staff costs	(4,008)	(4,008)
(f) administration and corporate costs	(5,057)	(5,057)
1.3 Dividends received (see note 3)		
1.4 Interest received	5	5
1.5 Interest and other costs of finance paid	(76)	(76)
1.6 Income taxes paid	(17)	(17)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	785	785

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(341)	(341)
(b) businesses (see item 10)		
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment		
(b) businesses (see item 10)		
(c) investments		
(d) intellectual property		
(e) other non-current assets		
2.3 Cash flows from loans to other entities		
2.4 Dividends received (see note 3)		
2.5 Other (cash securing bank guarantees)	4	4
2.6 Net cash from / (used in) investing activities	(337)	(337)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares		
3.2 Proceeds from issue of convertible notes		
3.3 Proceeds from exercise of share options		
3.4 Transaction costs related to issues of shares, convertible notes or options		
3.5 Proceeds from borrowings		
3.6 Repayment of borrowings	(1,096)	(1,096)
3.7 Transaction costs related to loans and borrowings		
3.8 Dividends paid		
3.9 Other (provide details if material)		
3.10 Net cash from / (used in) financing activities	(1,096)	(1,096)

4. Net increase / (decrease) in cash and cash equivalents for the period		
4.1 Cash and cash equivalents at beginning of quarter/year to date	2,983	2,983
4.2 Net cash from / (used in) operating activities (item 1.9 above)	785	785
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(337)	(337)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	(1,096)	(1,096)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(34)	(34)
4.6	Cash and cash equivalents at end of quarter	2,301	2,301

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	2,301	2,983
5.2	Call deposits		
5.3	Bank overdrafts		
5.4	Other (provide details)		
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,301	2,983

6. Payments to directors of the entity and their associates

- 6.1 Aggregate amount of payments to these parties included in item 1.2
- 6.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 6.3 Include below any explanation necessary to understand the transactions included in items 6.1 and 6.2

**Current quarter
\$A'000**

133

The payments at 6.1 are for directors fees

7. Payments to related entities of the entity and their associates

- 7.1 Aggregate amount of payments to these parties included in item 1.2
- 7.2 Aggregate amount of cash flow from loans to these parties included in item 2.3
- 7.3 Include below any explanation necessary to understand the transactions included in items 7.1 and 7.2

**Current quarter
\$A'000**

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
8.1 Loan facilities	4,314	4,314
8.2 Credit standby arrangements		
8.3 Other (please specify)		
8.4 Include below a description of each facility above, including the lender, interest rate and whether it is secured or unsecured. If any additional facilities have been entered into or are proposed to be entered into after quarter end, include details of those facilities as well.		


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9. Estimated cash outflows for next quarter	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	(210)
9.4 Leased assets	(17)
9.5 Staff costs	(4,000)
9.6 Administration and corporate costs	(5,050)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(9,277)

10. Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)	Acquisitions	Disposals
10.1 Name of entity		
10.2 Place of incorporation or registration		
10.3 Consideration for acquisition or disposal		
10.4 Total net assets		
10.5 Nature of business		

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

Sign here:  Date: ..31 October 2016

(Director/Company secretary)

Print name: ...Vernon Wills.....

Notes

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 that wishes to disclose additional information is encouraged to do so, in a note or notes included in or attached to this report.
2. If this quarterly report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standard applies to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.