

31 January 2017

## Market Update and Appendix 4C

The Directors of Site ("Site", ASX:SIT) are pleased to release the Appendix 4C quarterly cash flow for the period to 31 December 2016 and the six monthly performance of the company.

In what is a rapidly changing regulatory and policy environment in Australia with significant changes made by Government to student funding arrangements, Site has continued its focus on growing its 'high barrier to entry' products in demand from industry and governments, in particular in the International markets. This will see a continuing refocus of Site's business model to industry driven services, products and partnerships. Site intends also to pursue its localisation and nationalisation strategies in emerging markets.

In the 6 months to 31 December 2016 Site revenues dipped to \$24.5 m (\$35m corresponding period last year) whilst improving its profitability with EBITDA of \$5.9m (unaudited -up from \$4.7m last year).

Revenue in the international and emerging markets continues to grow with increasing services and capability contributing significantly to Sites growing international reputation.

As commodity prices continue to improve there is evidence of renewed confidence internationally in new and existing projects with clear evidence of 'green shoots' and increased inquiry. This is leading significant new interest in Site's SLPP in a number of locations both Internationally and locally. Site expects there will be further announcements surrounding development of new Safe Live Process Plants in the short and medium term.

### AUSTRALIA

The trade training and licensing areas of Site Skills Training have seen a reduction in numbers of new entrants and therefore softening of enrolments for the first quarter since the global commodity price crunch. Management have been successful in mitigating this reduction through the introduction of newer products with improved margin.

In addition, areas such as the apprenticeship division and industry safety programs such as ISI ticketing has seen an increased interaction with industry and governments leading to more opportunities around higher value services and higher barrier to entry offerings.

Oil and Gas industry specialists Wild Geese continue to perform strongly with exceptional management and team members committed to growing the business.

# Site

## INTERNATIONAL

After years of development the various areas of the International operations, led by Clark and CPM are showing consistent trends leading to great optimism of the new projects in Philippines, PNG, KSA, Myanmar and other emerging economies.

Highlights are led by strong indicators of renewed interest in new and existing projects across Asia Pac and Middle East. Confidence appears to be returning to employment and training sectors led in particular by the Oil and Gas sector

## 2015 RECONCILIATION PAYMENT

Of concern for Site and its wholly owned subsidiary, Productivity Partners Pty Ltd is the amount of time taken by the Department of Education and Training to finalise the Calendar Year 2015 Reconciliation payment. Site continues to work with the department providing information for its audit process including evidence of enrolment, learning materials, participation rates, facilities and staffing.

Without foreshadowing any remedies, the board and management believe the monies owed are legitimately due and owing.

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## Media and Investors

### Vernon Wills

Managing Director and CEO  
+61 (7) 3114 5188  
vern.wills@site.edu.au

### Craig Dawson

CFO  
+61 (7) 3114 5188  
craig.dawson@site.edu.au

*Principal & Registered Office: Level 4, 488 Queen St, Brisbane QLD 4000*

## 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")**

31 December 2016

<b>Consolidated statement of cash flows</b>	<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
<b>1. Cash flows from operating activities</b>		
1.1 Receipts from customers	11,715	21,875
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(275)	(480)
(d) leased assets	(17)	(36)
(e) staff costs	(4,965)	(8,974)
(f) administration and corporate costs	(3,770)	(8,828)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	9
1.5 Interest and other costs of finance paid	(220)	(295)
1.6 Income taxes paid	(443)	(460)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
<b>1.9 Net cash from / (used in) operating activities</b>	<b>2,028</b>	<b>2,811</b>

<b>2. Cash flows from investing activities</b>		
2.1 Payments to acquire:		
(a) property, plant and equipment	(281)	(622)
(b) businesses (see item 10)	(475)	(475)
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (6 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)	49	53
<b>2.6</b>	<b>Net cash from / (used in) investing activities</b>	<b>(707)</b>	<b>(1,044)</b>

<b>3.</b>	<b>Cash flows from financing activities</b>		
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	(953)	(2,049)
3.7	Transaction costs related to loans and borrowings		
3.8	Dividends paid		
3.9	Other (provide details if material)		
<b>3.10</b>	<b>Net cash from / (used in) financing activities</b>	<b>(953)</b>	<b>(2,049)</b>

<b>4.</b>	<b>Net increase / (decrease) in cash and cash equivalents for the period</b>		
4.1	Cash and cash equivalents at beginning of quarter/year to date	2,299	2,983
4.2	Net cash from / (used in) operating activities (item 1.9 above)	2,028	2,811
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(707)	(1,044)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	(953)	(2,049)

<b>Consolidated statement of cash flows</b>		<b>Current quarter \$A'000</b>	<b>Year to date (6 months) \$A'000</b>
4.5	Effect of movement in exchange rates on cash held	(4)	(38)
4.6	<b>Cash and cash equivalents at end of quarter</b>	<b>2,663</b>	<b>2,663</b>

<b>5. Reconciliation of cash and cash equivalents</b> at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	<b>Current quarter \$A'000</b>	<b>Previous quarter \$A'000</b>
5.1 Bank balances	2,663	2,299
5.2 Call deposits		
5.3 Bank overdrafts		
5.4 Other (provide details)		
<b>5.5 Cash and cash equivalents at end of quarter (should equal item 4.6 above)</b>	<b>2,663</b>	<b>2,299</b>

**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. <b>Financing facilities available</b> <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	1,923	1,923
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.		

9. <b>Estimated cash outflows for next quarter</b>	\$A'000
9.1 Research and development	
9.2 Product manufacturing and operating costs	
9.3 Advertising and marketing	(230)
9.4 Leased assets	(17)
9.5 Staff costs	(4,000)
9.6 Administration and corporate costs	(4,500)
9.7 Other (provide details if material)	
<b>9.8 Total estimated cash outflows</b>	<b>(8,747)</b>

10. <b>Acquisitions and disposals of business entities (items 2.1(b) and 2.2(b) above)</b>	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:



(Director/Company secretary)

Date: ..31 January 2017 .....

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.