

28 April 2017

Appendix 4C and Market Update

The Directors of Site ("Site", ASX:SIT) are pleased to release the Appendix 4C quarterly cash flow for the period to 31 March 2017. The March Quarter was a mixture of positive development and significant distraction in preparing responses to the previously disclosed enquiries by government departments.

The results for the quarter saw revenues of \$10.95m resulting in an EBITDA \$1.85M (unaudited). Operating cash flow for the group was an outflow of \$2.65m and was negatively impacted by a number of factors including: -

- Customary seasonality typical in the training business with the lower activity over the December / January months reducing the January to March period cash flow;
- One-off restructuring and redundancy costs as a result of Productivity Partners no longer enrolling students as an RTO with the completion of all students in February 2017; and
- Following the commencement of several new contracts and associated delays with delivery and settlement of initial invoices there are significant receivables outstanding at the end of March outside of normal monthly billing cycles for completed training. This is expected to reverse in the June quarter of 2017.

The Company is in discussions with potential providers of additional funding which, if required, would support the expansion of new 'high barrier to entry' products and enhance its earnings and cash flow.

The company needs to develop future pathways around its barrier to entry products like the Safe Live Process Plant (SLPP) and its new entry products such as work integrated learning (WIL) offerings, the about to be released online products such as TESOL 120-hour course and various developments from the Clark online division.

Additional international expansion with our Saudi partners AlAjmi and CPS, further development in Africa and some new strategic relationships such as TAFE QLD in the South American markets are showing promising growth prospects. Expansion opportunities with OceanaGold in the Americas is also being investigated. GE/Granite Services training at Clark has been rostered for a substantial portion of 2017.

Site completed its work with Skills Future Singapore (a Government entity) for the creation of the National Framework for Chemicals and Energy and further prospective work is being targeted with Industry as a result.

Reconciliation Payment

We are now 16 months into a reconciliation process for outstanding payments from the Department of Education and Training for 2015 with the completion of an audit report recently received by Productivity Partners. We are currently awaiting a response from the Department but believe that the \$34.9m payment for services delivered is legitimately due and owing.

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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")

31 March 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (9 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	5,571	27,445
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(252)	(731)
(d) leased assets	(18)	(54)
(e) staff costs	(4,118)	(13,050)
(f) administration and corporate costs	(3,630)	(12,599)
1.3 Dividends received (see note 3)		
1.4 Interest received	4	13
1.5 Interest and other costs of finance paid	(8)	(303)
1.6 Income taxes paid	(203)	(661)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(2,654)	60

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(248)	(870)
(b) businesses (see item 10)	(15)	(490)
(c) investments		

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 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)	21	74
2.6	Net cash from / (used in) investing activities	(242)	(1,286)

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	600	600
3.6	Repayment of borrowings	-	(2,049)
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	600	(1,449)

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	2,645	2,983
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(2,654)	139
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(242)	(1,286)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	600	(1,449)

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (9 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(13)	(52)
4.6	Cash and cash equivalents at end of quarter	335	335

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	335	2,644
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)	335	2,644

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	2,523	2,523
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. 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	(250)
9.4 Leased assets	(17)
9.5 Staff costs	(3,800)
9.6 Administration and corporate costs	(3,500)
9.7 Other (provide details if material)	
9.8 Total estimated cash outflows	(7,567)

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:



(Director/Company secretary)

Date: ..28 April 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.