

ASX Announcement

(ASX:RAN)

27 April 2017

Appendix 4C March Quarter 2017 and Progress Update

Range International Limited ('Range International' or 'Company'), manufacturer of Re>Pal™ recycled plastic pallets, presents its Appendix 4C for the quarter ended 31 March 2017 and an update on the Company's strategy in respect of production and sales growth.

This Appendix 4C reflects the cash flow of the consolidated entity ('Group') for the quarter ended 31 March 2017.

Summary

	Current quarter 31 March 2017	Previous Quarter 31 Dec 2016
	US'000	US'000
Cash flows from operating activities		
Cash receipts from customers	120	321
Interest received	3	36
Research and development	-	(33)
Product manufacturing and operating costs	(791)	(782)
Advertising and marketing	(440)	(81)
Staff costs	(950)	(960)
Administration and corporate costs	(1,081)	(1,166)
Net cash (used in) operating activities	(3,139)	(2,665)
Net cash (used in) investing activities	(5,531)	(6,814)
Net decrease in cash and cash equivalents for the period	(8,670)	(9,479)
Effect of exchange rates	(226)	(26)
Cash and cash equivalents at end of quarter	15,051	23,947

The cashflow for the three months ended 31 March 2017 continues to reflect the strategic focus of the Group, as stated in the Prospectus, to commercialise the use of the Company's ThermoFusion™ technology and rapidly expand our production capacity. Of the US\$35 million raised in the IPO, more than US\$17.8M in cash has been invested in the new facility and new equipment, with another US\$8.5M to be invested in the second quarter of 2017. This investment in new production capacity is in line with the use of funds disclosed in the Prospectus and the Company's budget expectations.

The new East Java facility has allowed us to develop new waste plastic treatment processes and centralised systems which will improve the efficiency of our production process and lead to higher quality.

Range is pleased to announce the commencement of operation of its third production line at the Company's Pasuruan factory in East Java, Indonesia, in line with the Company's schedule for the installation of new production lines at the facility.

However, we are disappointed with the sales performance of our existing product range. In the past six months our focus has been on the development of the new plant and a new pallet range. The key area of focus for the remainder of 2017 is sales growth.

Rachelle Woodsford, an experienced senior sales executive, joined the executive team on Tuesday 25 April 2017 in the role of Head of Global Sales and Marketing to lead the sales team towards the achievement of our sales growth plans.

We are excited to launch our new product range today at the Asia Warehousing Show in Bangkok. The new range has been developed based on feedback from customers on their pallet needs and as such the Company expects the new products to have a positive impact on sales and result in an improvement in cashflow throughout the second half of 2017.

During the first quarter, an external life cycle and environmental benchmarking assessment was conducted on the Re>Pal™ pallet and is currently undergoing independent peer review. The initial conclusions of the assessment were that:

“Re>Pal is arguably the most resource efficient and lowest emission alternative to conventional pallets with the lowest environmental impact compared to functionally equivalent alternative pallet types.”

Edge Environment Pty Limited

While the Company is on track with its schedule for the installation of new production lines at the East Java facility, the Board has decided to slow the pace of installation of new production lines to ensure alignment between production and sales. This decision ensures the responsible management of the Company’s cash resources in the short term and ensures that production growth remains more in line with expected sales growth.

There are currently three new production lines operating at the East Java facility with a fourth line scheduled for installation and commissioning in early June 2017. The Company will progress with the installation of the 4th and 5th production lines as previously scheduled however, the following changes will be made to the remainder of the 2017 schedule:

- (i) commissioning of the 5th new production line will be deferred with timing to be assessed throughout H2 2017; and
- (ii) installation of the 6th, 7th and 8th new production lines will be deferred until required to meet sales demand.

The Company has secured sufficient supply of low cost mixed waste plastic to support production scheduled for 2017.

The Company will have seven production lines *on site* by the end of June 2017, providing it with the ability to rapidly commission extra production lines and increase capacity in support of further sales growth.

Key strategic events during the March 2017 Quarter

- Targeted regional expansion of the sales team.
- Recruitment of a new Head of Global Sales and Marketing.

- Shipment of first pallet order to China and supply of Re>Pal™ pallets to a number of Chinese e-commerce operators for trials.
- Development of a new series of pallets to complement the existing Re>Pal™ pallet range, providing increased functionality across the Re>Pal™ pallet range, with new models launched at the Asia Warehousing Show in Bangkok, Thailand today.
- Installation and commissioning of 2 new production lines at the East Java facility during the quarter and commissioning of a third production line following the end of the quarter.
- Decision made to consolidate production in one central location and maximise use of the significantly improved operating environment in the new East Java facility by moving the two production lines which were operating at Tabanan to the larger and more efficient East Java facility.
- Expansion of our production workforce at the East Java facility.
- Secured sufficient supply of our raw material, low cost mixed waste plastic, to support production capacity at the East Java facility in 2017.
- Completion of pallet life cycle assessment by Edge Environment Pty Ltd. Results currently undergoing peer review.

Managing Director/CEO, Lars Amstrup commented:

“I am pleased with the significant progress on increasing capacity during the quarter, strengthening our sales organisation and preparation for the launch today of our new pallets. I am encouraged by the positive interest we are receiving for our products but I am disappointed with our sales performance in the first quarter.

We have listened to customer feedback and have enhanced the functionality of our products to ensure that they meet customer needs.

I am delighted Rachelle Woodsford has joined the executive team as Head of Global Sales and Marketing to lead the sales team.

The decisions we have made in respect of our production ramp-up schedule reflect a responsible approach to the management of our cash resources. By the end of June 2017, we will have four new production lines commissioned for operation at the East Java facility and a further three lines on site, providing us with the ability to rapidly commission extra production lines and increase capacity.”

Lars Amstrup

Managing Director/CEO

About Range International:

Range is a manufacturer of plastic pallets. Our ThermoFusion™ technology allows Range to make plastic pallets from 100% recycled plastic at a price that is competitive with wood pallets. Range has production lines operating in Indonesia and sells its pallets under the brand Re>Pal™. Range is scaling up its operations in Indonesia. In the medium term, the Company’s goal is to establish a global production footprint and sales distribution network.

Media: media@rangeinternational.com

Investor Relations: investors@rangeinternational.com

Range's new series of Re>Pal™ pallets launched in Bangkok today



NSP

Nesting Stacking & Racking

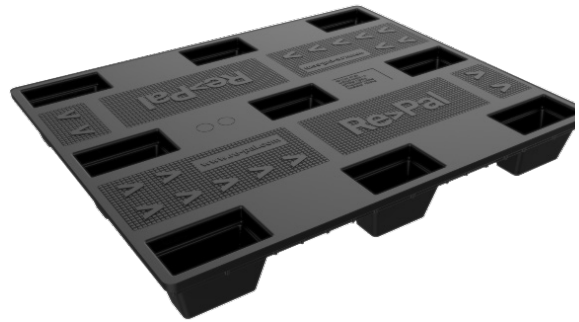
1200 x 1000

1090 x 1090

Circa USD10.00

Lifting load rating 1,200 kg

Racking load rating 700 kg



NP

Nesting

1200 x 1000

1090 x 1090

Circa USD7.50

Lifting load rating 1,200 kg

Racking load rating N/A



HD

Heavy Duty

1200 x 1000

Circa USD20.00

Lifting load rating 2,500 kg

Racking load rating 1,000 kg



RP

Racking

1200 x 1000

Circa USD25.00

Lifting load rating 1,200 kg

Racking load rating 1,200 kg

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

RANGE INTERNATIONAL LIMITED

ABN

22611998200

Quarter ended ("current quarter")

March 2017

Consolidated statement of cash flows	Current quarter	Year-to-date
	US\$'000	(3 months)
		US\$'000
1. Cash flows from operating activities		
1.1 Receipts from customers	120	120
1.2 Payments for		
(a) research and development	-	-
(b) product manufacturing and operating costs	(791)	(791)
(c) advertising and marketing	(440)	(440)
(d) leased assets	-	-
(e) staff costs	(950)	(950)
(f) administration and corporate costs	(1,081)	(1,081)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	3	3
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	-	-
1.9 Net cash (used in) operating activities	(3,139)	(3,139)

Consolidated statement of cash flows	Current quarter	Year-to-date (3 months)
	US\$'000	US\$'000
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(5,276)	(5,276)
(b) businesses (see item 10)	-	-
(c) investments	-	-
(d) intellectual property	(86)	(86)
(e) other non-current assets	(169)	(169)
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 (provide details if material)	-	-
2.6 Net cash (used in) investing activities	(5,531)	(5,531)
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	-	-
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 financing activities	-	-

Consolidated statement of cash flows		Current quarter	Year-to-date (3 months)
		US\$'000	US\$'000
4.	Net decrease in cash and cash equivalents for the period	(8,670)	(8,670)
4.1	Cash and cash equivalents at beginning of quarter/year to date	23,947	23,947
4.2	Net cash (used in) / from operating activities (item 1.9 above)	(3,139)	(3,139)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	(5,531)	(5,531)
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-
4.5	Effect of movement in exchange rates on cash held	(226)	(226)
4.6	Cash and cash equivalents at end of quarter	15,051	15,051

5. Reconciliation of cash and cash equivalents	Current quarter	Previous quarter
at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	US\$'000	US\$'000
5.1 Bank balances	9,415	8,914
5.2 Call deposits	5,636	15,033
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)	15,051	23,947

6. Payments to directors of the entity and their associates	Current quarter
	US\$'000
6.1 Aggregate amount of payments to these parties included in item 1.2	196
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	
6.1 Directors remuneration.	

7. Payments to related entities of the entity and their associates	Current quarter US\$'000
7.1 Aggregate amount of payments to these parties included in item 1.2	8
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	

7.1 Payments to associate entity of Director.

8. Financing facilities available <i>Add notes as necessary for an understanding of the position</i>	Total facility amount at quarter end US\$'000	Amount drawn at quarter end US\$'000
8.1 Loan facilities	-	-
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.		

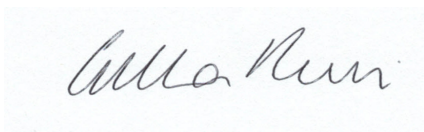
Not applicable

9. Estimated cash outflows for next quarter	US\$'000
9.1 Research and development	-
9.2 Product manufacturing and operating costs	(697)
9.3 Advertising and marketing	(203)
9.4 Leased assets	-
9.5 Staff costs	(1,417)
9.6 Administration and corporate costs	(717)
9.7 Other – Pasuruan Factory Capital expenditure	(8,500)
9.8 Total estimated cash outflows	(11,534)

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: 27 April 2017
Company Secretary

Print name: Gillian Nairn

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.