

31 July 2017

Appendix 4C and Market Update

The Directors of Site Group International Limited ("Site", ASX:SIT) are pleased to release the Appendix 4C quarterly cash flow for the period to 30 June 2017. The June quarter delivered strong improvements in underlying business performance as has been reported in recent updates.

The results for the quarter saw revenues of \$10.1m and an EBITDA of \$780k (unaudited). Operating cash flow for the quarter was an outflow of \$240k with a closing cash balance of \$1.5m. The full year result (unaudited and pre-write off) was EBITDA of circa \$8.6m.

Significant achievements for the quarter included the following: -

- Significant new contracts with industry;
- New, larger Darwin Facility;
- Growth in all core business areas; and
- Completion of GE turbine training facility at Clark.

Site has released its forecast performance for the next financial year to 30 June 2018 with revenues of \$32.5m and an underlying EBITDA of 10%.

Already we have seen an increase in contracts that are supporting the growth statements made previously by the company. It is Site's intention to focus on energy services, engineering, mining, safety and trades training delivery in the future with an emphasis on facilities and in house capabilities. The domestic and offshore delivery models are growing due to Site gaining market share and broadening its scope of training products. The strong corporate customer base and high barrier to entry services such as the Safe Live Process Plant (SLPP), the Clark Philippines facility and international projects continue to be key differentiators for Site whilst the Australian market continues to improve with increased service offerings, improved facilities and focus on industry needs. Site Skills Training has completed over 130,000 courses to Australians over the last 5 years.

Site reminds shareholders of the Share Purchase Plan (SPP) which has just been released to existing shareholders. Please refer to the SPP offer document for more information on this.

The VFH reconciliation process associated with wholly owned subsidiary Productivity Partners Pty Ltd continues as the company facilitates various requests. The Department of Education and Training (DET) process has taken over 18 months to date. Site has been informed of the pending completion of hopefully the last audit by Deloitte on behalf of the DET and looks forward to a resolution on this matter.

As announced on 25 July 2017, Site intends to provide for the full debtor value of \$34m in its FY17 annual result despite the firm belief that it is entitled to these funds. In addition, there will be further non-cash impairments of intangibles of approximately \$20.1m for the year. These impairments will mean the statutory result will be a full year loss of approximately \$39.6m. Full year accounts will be lodged in late August.

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Media and Investors

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About Site

Site Group International Limited ("Site") operates several businesses specialising in the delivery of education, training and labour services. Services are delivered to government, corporate and individual clients, predominately operating in energy, mining, construction, oil and gas and industrial sectors.

Site Group International Limited is an emerging company with a strategic business model pursuing earnings-accretive growth based on previous acquisitions along with organic growth.

Wild Geese International

Site operate a Perth based specialist Oil and Gas Competency Development and Design consultancy business unit, out of Perth, and had been operating for ~15 years prior to joining Site.

An Australian Registered Training Organisation, Wild Geese have integrated in to Site's broader national and international service capability.

Site Skills Training

An Australian Registered Training Organisation, Site Skills Training delivers Accredited and Non-Accredited High Risk Licence, Health and Safety and industry programs extensively throughout Australia and internationally. Site deliver ~25,000 short course programs in Australia each year including delivery of Apprenticeships and Traineeships, and VET in Schools programs.

Site Institute

Site Institute is an Australian Registered Training Organisation and International CRICOS education provider. Site Institute has students studying in Australia from countries including Argentina, Brazil, Chile, Colombia, Mexico, Peru and South Korea, with additional networks being established in other countries.

Site Online

Site established an online learning, learning software and platform development business. Site Online services and hosts Site's learning, student and competency management systems across its businesses, develops online learning programs, and converts existing learning content in to online programs.

Site Online is also established to service requirements of clients including those of other business units.

Site Group International Pte Ltd

The Site Group International business division builds immersive training environments for the purposes of undertaking competency development, specifically the Engineering, Procurement, Construction and Commissioning of Safe Live Process Plant environments.

SGL is based in Singapore and Malaysia and services predominately oil and gas industry clients throughout the world, utilising industry best practice and international standards for the development of competency frameworks and implementation of training programs.

TESOL Asia

TESOL Asia is a training and industry focussed organisation for Teachers in the English as a Second Language (ESL) sector. It provides access to training, consulting, industry conferences and academic journals around the world.

Teaching English to Speakers of Other Languages (TESOL) focusses on bringing English language acquisition academics together with professional teachers to support and develop the industry globally.

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 June 2017

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers	8,219	35,665
1.2 Payments for		
(a) research and development		
(b) product manufacturing and operating costs		
(c) advertising and marketing	(110)	(841)
(d) leased assets	(16)	(69)
(e) staff costs	(4,107)	(17,157)
(f) administration and corporate costs	(3,746)	(16,267)
1.3 Dividends received (see note 3)		
1.4 Interest received	3	16
1.5 Interest and other costs of finance paid	(120)	(423)
1.6 Income taxes paid	(358)	(1,018)
1.7 Government grants and tax incentives		
1.8 Other (provide details if material)		
1.9 Net cash from / (used in) operating activities	(235)	(94)
2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) property, plant and equipment	(136)	(1,007)
(b) businesses (see item 10)	(40)	(530)
(c) investments		

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (12 months) \$A'000
(d) intellectual property		
(e) other non-current assets		
2.2 Proceeds from disposal of:		
(a) property, plant and equipment	4	4
(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)	(35)	38
2.6 Net cash from / (used in) investing activities	(207)	(1,495)

3. Cash flows from financing activities		
3.1 Proceeds from issues of shares	1,736	1,736
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	(47)	(47)
3.5 Proceeds from borrowings	150	750
3.6 Repayment of borrowings	(200)	(2,249)
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	1,639	190

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	335	2,983
4.2 Net cash from / (used in) operating activities (item 1.9 above)	(235)	(94)
4.3 Net cash from / (used in) investing activities (item 2.6 above)	(207)	(1,495)
4.4 Net cash from / (used in) financing activities (item 3.10 above)	1,639	190

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (12 months) \$A'000
4.5	Effect of movement in exchange rates on cash held	(3)	(55)
4.6	Cash and cash equivalents at end of quarter	1,529	1,529

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	1,529	335
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)	1,529	335

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	2,302	2,302
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	(200)
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	(7,517)

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 July 2017

(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.