February 7 2017

Company Announcements Office
Australian Securities Exchange Limited
20 Bridge Street
SYDNEY NSW 2000

Dear Sir/Madam

ROYAL WOLF HOLDINGS LIMITED: FY 2017 First Half Results

Please find attached an announcement for release to the market.

Yours faithfully

Greg Baker
Company Secretary

About Royal Wolf

Royal Wolf is the industry leader in the hire, sale and modification of new and refurbished shipping containers, with 21 years of experience and a network of 36 facilities including 33 dedicated Customer Service Centres across Australia and New Zealand.

Renowned for its focus on product innovation, Royal Wolf has taken the design and basic engineering of the traditional shipping container to new heights and today its products are used in a wide range of applications to help solve business challenges across many market sectors.

The company has a customer base of over 22,000, supplying customers each year with containers which are inexpensive, safe, secure, easily transportable and able to be modified with doors, internal walls, windows, electricity, water supply and more.

From portable storage options for consumers, sporting associations, community groups and schools, to accommodation units, mobile exhibitions, retail outlets, offices, kitchens, training facilities and innovative construction projects, experience shows 'You can do anything in a Royal Wolf'.

MEDIA RELEASE

Royal Wolf Reports Modest Growth Despite Headwinds

Key points on the results

- EBITDA of $19.6 million (margin of 27.2%) compared to $19.2 million (margin of 22.4%) last year.
- Total revenues were $72.0 million, a decrease of $13.7 million, or 16.0% over the first half of 2016FY.
- Container sales revenues of $31.3 million, a decrease of $15.8 million on prior period. The circa $11.0 million in low margin Freight sector sales achieved in prior period were not replicated in the first half.
- Container leasing revenues of $40.6 million, an increase of $2.0 million, or 5.4% from first half of 2016FY.
- Utilisation of 85.0% at 31 December 2016 compares to and 76.5% at 30 June 2016 and 85.5% at 31 December 2015.
- Units on hire at 31 December 2016 was a company record of 36,437 units, up 246 units on same period last year assisted by acquisition late in period.
- NPAT attributable to ordinary shareholders of $4.2 million or 4.2c per share compared to $4.7 million or 4.7c per share last year.
- An interim dividend of 2.5c per share (fully franked) will be paid on 4 April 2017.

($ in thousands)	**Actual 1H2017**	**Actual 1H2016**	**% Growth**
Container lease revenue	40,638	38,564	5.4%
Container sales revenue	31,312	47,119	(33.5%)
Total revenue	71,950	85,683	(16.0%)
EBITDA	19,569	19,187	2.0%
EBITA	10,708	11,154	(4.0%)
EBIT	8,918	9,624	(7.3%)
NPAT	4,170	4,692	(11.1%)
NPATA	5,113	5,661	(9.7%)
EPS	4.2c	4.7c	(11.1%)

Management Commentary

Neil Littlewood, Chief Executive Officer said despite the challenging operating environment, Royal Wolf has delivered a modest 2.0% increase in EBITDA performance with a 5.4% increase in lease revenue. Our strategy to deliver worksite stackable solutions to the building and construction and infrastructure industries as an alternative to the traditional modular building solution continues to generate increased market share in this sector with lease revenue growing 16.0% in 1H2017.

“Included in leasing revenue is $2.8 million we received as full and final payment of our claim as the secured creditor for Titan Energy Services, which compares to $2.0 million of camp accommodation related leasing revenue in the prior period,” he said.

“Container sales revenue decreased to $31.3 million from $47.1 million. The company has experienced a tightening in sales volumes across both countries and in particular we have not replicated in this period approximately $11.0 million in high value low margin sales to key freight customers. As we do not have any material confirmed orders in this sector this financial year, we do not expect any new freight sales to be delivered this financial year. In 2H2016 we delivered $8 million in freight sales,” he said.

"At the time of the FY2016 results release we advised that Royal Wolf intended to actively leverage our strengths in customer size, geographic reach and product solutions to pursue growth in market share by opening additional Customer Service Centres (CSCs), and through acquisitions and a focus on customer engagement. I am pleased to advise that during the first half we have completed our largest acquisition in three years; opened three new regional locations; attained a greater awareness of our customers’ needs through the introduction of Net Promoter Score; and continued to improve our online capabilities and reach. We will continue to actively reinforce our earlier successes and knowledge to generate positive momentum and deepen customer relationships,” he said.

“Container fleet capital expenditure was $9.7 million ($9.3 million in 1H2016) to support increased demand from the building and construction and infrastructure industries and to refresh some of our Intermodal (Freight) assets," he said.

Mr Littlewood said NPAT is being impacted by higher depreciation due to Royal Wolf's investment in portable buildings and the $20.3 million in idle mining camp accommodation assets. We expect depreciation and amortisation for the second half to be in the range of $11 to $12 million.

"In the first half we have reduced the value of idle accommodation assets by $3.2 million through a combination of depreciation, leasing in other market sectors and some asset sales. We are confident that we will continue to identify and secure opportunities to redeploy these assets. The slow reduction in camp redeployment is expected to continue to unfavourably impact net debt levels, depreciation and interest costs in the second half, “Mr Littlewood said.

Mr Littlewood said The Company successfully completed the refinancing of Facility A of its current bank debt facilities which were due to mature in July 2017 and now matures in January 2022.The new facility A is structured within the existing Common Terms Deed and related bilateral bank debt facilities provided by ANZ and CBA, and is for $100 million, a reduction of $25 million, with the total senior, secured, multi option debt facility now being $150 million.

“Despite the low growth economic environment, we remain optimistic that our platform of: improving our speed to market; having a better understanding of our diverse customer base; increasing our lease fleet through regional expansion and accretive acquisitions; improving our margins through cost efficiencies; and refining our asset management will provide our shareholders with improving returns, " Mr Littlewood said.

For further information please contact:

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