



SpeedCast International Limited

ACN 600 699 241

Appendix 4D and Financial Statements for the
Half Year Ended 30 June 2015

Appendix 4D

For the half year ended 30 June 2015

Results for Announcement to the Market

All comparisons are to the half year ended 30 June 2014 unless otherwise stated.

All amounts are in US\$ million unless otherwise specified.

| | 2015 \$million | Up/Down | Movement % |
|--|-------------------|---------|---------------|
| Revenue from ordinary activities | 71.7 | Up | 32 |
| Profit after tax from ordinary activities attributable to the owners of the Company | 2.7 | Up | >100 |
| Net profit after tax attributable to the owners of the Company | 2.7 | Up | >100 |

Dividend Information

| | Amount per share (AUD cents) | Franked % per share |
|--|------------------------------------|------------------------|
| Final dividend for 2014 (paid on 2 April 2015) | 3.36 | 100 |
| Proposed interim dividend for 2015 | 3.00 | 100 |

On 26 August 2015, the Board approved an interim dividend of AUD3.00 cents per share for the six months ended 30 June 2015. The dividend will be paid on 6 October 2015 to all shareholders registered on the record date of 8 September 2015. The ex-dividend date for dividend entitlement will be 4 September 2015. The dividend will be fully franked for Australian taxation purpose.

No dividend reinvestment plan was in operation during the half year ended 30 June 2015.

Appendix 4D (continued)

Net Tangible Asset Backing

| | 30 June 2015 (USD cents) | 31 December 2014 (USD cents) |
|---|-----------------------------|---------------------------------|
| Net tangible asset backing per security | (42) | (20) |

Net tangible assets are defined as the net assets of the SpeedCast group excluding goodwill and intangibles. The number of shares on issue at 30 June 2015 was 120,301,295 (2014: 120,168,355).

A net tangible liability position exists as the SpeedCast group has significant acquired goodwill and intangible assets through acquisitions. These acquisitions have been partially funded through external bank debt.

Details of entities where control has been gained during the half year

On 13 March 2015, the Group entered into a definitive agreement to acquire 100% shares of Hermes Datacommunications International Limited, a leading global provider of managed network services for the upstream oil and gas industry, for an initial consideration of USD25.5 million on a debt free, cash free basis. Further consideration of up to USD8.5 million is potentially payable on the achievement of certain revenue targets in 2015. The Group gained control with effect from 13 March 2015.

On 1 May 2015, the Group completed 100% acquisition of the shares of Geolink Satellite Services SAS, a leading provider of satellite communications solutions in the African region, for EUR7.4 million. The Group gained control on the same date.

As at the date of this report, verifications of individual assets or liabilities of the acquired businesses are in progress and the Group has not finalised the fair value assessments.

This information should be read in conjunction with the 2014 Annual Financial Report of SpeedCast International Limited and its controlled entities and any public announcements made in the period by SpeedCast International Limited in accordance with the continuous disclosure requirements of the Corporations Act 2001 and Listing Rules.

Additional information supporting the Appendix 4D disclosure requirements can be found in the Directors' Report and the consolidated financial statements for the half year ended 30 June 2015.

This report is based on the consolidated financial statements for the half year ended 30 June 2015 of SpeedCast International Limited and its controlled entities, which have been reviewed by PricewaterhouseCoopers. The Independent Auditor's Report provided by PricewaterhouseCoopers is included in the consolidated financial statements for the half year ended 30 June 2015.

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Directors' Report

The Directors present their report together with the consolidated financial statements of SpeedCast International Limited (SpeedCast or the Company) and its subsidiaries (together referred to as the Group), for the half year ended 30 June 2015 and the auditor's report thereon.

Information on Directors

The names of each person who has been a director during the half year and to the date of this report are:

John Mackay
Pierre-Jean Beylier
Michael Berk
Grant Ferguson
Peter Jackson
Michael Malone
Edward Sippel

Review of operations

Highlights:

- Strong financial performance showing significant year on year growth;
- Significant new contract wins in Telecoms, Government, Maritime and Energy during 1H;
- Execution of strategy in Energy market well progressed; first significant results expected in 2H 2015;
- Completion of 4 strategic acquisitions in 2015, all funded by debt and accretive immediately:
 - 3 acquisitions in key locations and/or industries; and
 - Opportunistic acquisition of NewSat teleport & satellite services, further strengthening our position in Australia and developing the group's Government business and world-class infrastructure;
- Integration activities well underway to deliver identified synergistic benefits in 2015 & 2016.

The group has continued to deliver both operationally and financially in the period.

The high growth engine of Maritime delivered steady and consistent growth in the number of VSAT vessels being serviced, increasing from 689 vessels at 31 December 2014 to 836 vessels at 30 June 2015.

The execution of the group's strategy in the Energy sector has progressed well in the period as the group builds the foundations for long-term sustainable growth in 2016 and beyond. On 24 August 2015 the group announced the signing of a significant multi-year contract with a global oil and gas services company, a major milestone in the delivery of this strategy.

The group remains both geographically diverse and well diversified across the sectors it services, ensuring that it is not exposed to the cyclical nature of any one industry.

At 30 June 2015, the group had a strong backlog of work won but not yet installed. This, together with the additional wins announced early in the second half, is expected to underpin the delivery of the group's organic growth in the short to medium term.

Directors' Report (continued)

Overview of Financial Performance

SpeedCast has presented the Underlying financial results for 2015 and Pro forma financial results for 2014 to aide comparability from period to period and provide a better understanding of the SpeedCast financial performance.

The pro forma basis reflects a consolidation of the SpeedCast group and the subsidiaries it controlled as if they had been controlled from 1 January 2014, and adjusted for certain other non-recurring items. Full explanations of the reconciling items were included in the ASX announcement on 18 August 2014. The Underlying financial results is intended to exclude items which are non-recurring in nature, such as acquisition-related transaction costs, integration costs and restructuring costs.

Reconciliation of statutory to Underlying/Pro forma:

Revenue: including the full year impact of acquisitions made in 2014, pro forma revenue was \$58.2 million, \$3.8 million higher than the statutory revenue amount. There was no difference between underlying and statutory revenue for the six months ended 30 June 2015.

| NPAT: | 1H 2015 | 1H 2014 |
|--|------------|--------------|
| Statutory Net Profit/(Loss) after tax | 2.7 | (5.5) |
| IPO and transaction related costs | 1.4 | 3.3 |
| Pro forma share of profit of joint venture | - | 0.1 |
| Non-recurring foreign exchange net gain | - | (1.6) |
| Net finance costs adjustment | - | 5.5 |
| Public company costs | - | (0.3) |
| Amortisation | - | 2.0 |
| Tax effect of pro forma adjustments | - | (1.0) |
| Underlying / Pro forma NPAT | 4.1 | 2.5 |

Non-IFRS measures such as EBITDA and NPATA have also been presented to provide a better understanding of the SpeedCast financial performance.

- *EBITDA* is defined as earnings before interest, tax, depreciation and amortisation and is used to measure the underlying performance of the group, excluding non-cash items such as depreciation and amortisation;

- *NPATA* is defined as net profit after tax but prior to the amortisation of acquisition related intangibles, net of tax effect.

Directors' Report (continued)

Overview of Financial Performance (continued)

A summary of the Group's revenue and results for the half year is set out below:

| US\$'million | Underlying 2015 | Pro forma 2014 |
|---|--------------------|-------------------|
| Total revenue | 71.7 | 58.2 |
| EBITDA | 12.7 | 9.6 |
| Depreciation | (3.4) | (2.1) |
| Amortisation | (3.4) | (2.9) |
| EBIT | 5.9 | 4.5 |
| Finance costs, net | (1.2) | (1.0) |
| Share of profit from interest in joint ventures | 0.1 | 0.1 |
| Income tax expense | (0.9) | (1.2) |
| NPAT | 4.1 | 2.5 |
| Add back: Amortisation (net of tax) | 2.7 | 2.3 |
| NPATA | 6.8 | 4.8 |

Revenue was up 23% to \$71.7 million (2014 Pro forma: \$58.2 million). The increase includes the impact of acquisitions completed in 2015, as well as strong year on year organic growth in the group's core service revenues, despite the deterioration in the AUD and EUR over this period. Wholesale voice revenue also showed strong growth as SpeedCast strengthened its leadership in the Pacific region.

Underlying EBITDA of \$12.7 million was up 32% on the prior period (2014 Pro forma: \$9.6 million). EBITDA margins continue to improve from 16.4% to 17.7% as integration synergies relating to the 2014 acquisitions were realised, and despite the dilutive impact of the 2015 acquisitions.

Underlying NPATA increased significantly to \$6.8 million compared with pro forma NPATA of \$4.8 million for the 6 months ended 30 June 2014, an increase of 42% period on period.

Capital Management metrics

The Group's net debt was \$61.3 million at 30 June 2015 (Dec-14: \$31.5 million) and the leverage ratio, net debt to pro forma EBITDA, was 2.3 times (Dec-14: 1.5 times). During the period the group complied with all of its loan covenants.

Subsequent to 30 June 2015, the group completed the acquisition of the teleport and satellite services business of NewSat and also the acquisition of SAIT Communications. This increased the group's leverage ratio to just under 3 times. Strong organic growth in earnings and operational cash flows are expected to reduce the ratio back within the group's long-term target range of 1.75 – 2.25 times within 12-18 months.

SpeedCast International Limited

Directors' Report (continued)

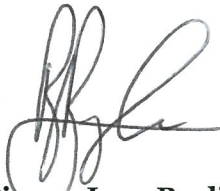
Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 9.

ASIC class order 98/100 rounding of amounts

The amounts contained in this report and in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) under the option available to the company under the Class Order 98/100, issued by the Australian Securities and Investments Commission. The company is an entity to which the Class Order applies.

This report is signed in accordance with a resolution of the Board of Directors.



Pierre-Jean Beylier
Chief Executive Officer, Executive Director
26 August 2015



Auditor's Independence Declaration

As lead auditor for the review of SpeedCast International Limited for the half-year ended 30 June 2015, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of SpeedCast International Limited and the entities it controlled during the period.

A handwritten signature in blue ink, appearing to read 'Andrew Forman', is written over the printed name.

Andrew Forman
Partner
PricewaterhouseCoopers

Adelaide
26 August 2015

Consolidated Statement of Profit or Loss and Other Comprehensive Income

| | Half year 30 June 2015 US\$'000 | Half year 30 June 2014 US\$'000 |
|--|--|--|
| Revenue from continuing operations | 71,747 | 54,436 |
| Cost of equipment and bandwidth services | (44,220) | (33,075) |
| Staff costs | (10,311) | (8,224) |
| Depreciation of property, plant and equipment | (3,394) | (1,959) |
| Amortisation of intangible assets | (3,387) | (4,947) |
| IPO and transaction related costs | (1,386) | (6,446) |
| Other expenses | (4,508) | (3,518) |
| Finance costs, net | (1,164) | (1,977) |
| Share of profit from interest in joint ventures | 145 | 18 |
| Profit/(loss) before income tax | 3,522 | (5,692) |
| Income tax (expense)/credit | (854) | 176 |
| Profit/(loss) for the year attributable to owners of the Company | 2,668 | (5,516) |
| Other comprehensive income | | |
| Item that may be reclassified to profit and loss: | | |
| Currency translation difference | 76 | 2,349 |
| Total comprehensive income/(loss) for the year attributable to members of the entity | 2,744 | (3,167) |
| Earnings per share | | |
| - Basic profit/(loss) per share (cents) | 2.22 | (6.89) |
| - Diluted profit/(loss) per share (cents) | 2.19 | (6.89) |

The above Consolidated Statement of Profit or Loss and Other Comprehensive Income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

| | Note | 30 June 2015 US\$'000 | 31 December 2014 US\$'000 |
|--------------------------------------|------|-----------------------------|---------------------------------|
| ASSETS | | | |
| Current assets | | | |
| Cash and cash equivalents | | 22,733 | 10,079 |
| Trade and other receivables | | 30,889 | 23,695 |
| Inventories | | 4,537 | 3,238 |
| Total current assets | | 58,159 | 37,012 |
| Non-current assets | | | |
| Interests in joint ventures | | 185 | 45 |
| Property, plant and equipment | | 20,553 | 14,527 |
| Goodwill and intangible assets | | 79,617 | 52,743 |
| Deferred tax assets | | 912 | 1,504 |
| Total non-current assets | | 101,267 | 68,819 |
| Total assets | | 159,426 | 105,831 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Trade and other payables | | 40,657 | 31,874 |
| Obligations under finance leases | | 74 | 67 |
| Derivative financial instruments | | 22 | 10 |
| Income tax payable | | 1,111 | 94 |
| Total current liabilities | | 41,864 | 32,045 |
| Non-current liabilities | | | |
| Borrowings | 4 | 83,863 | 41,278 |
| Deferred tax liabilities | | 5,028 | 3,793 |
| Obligations under finance leases | | 35 | 50 |
| Other payables | | 25 | 66 |
| Total non-current liabilities | | 88,951 | 45,187 |
| Total liabilities | | 130,815 | 77,232 |
| Net assets | | 28,611 | 28,599 |

SpeedCast International Limited

Consolidated Statement of Financial Position (continued)

| | Note | 30 June 2015 US\$'000 | 31 December 2014 US\$'000 |
|---|------|-----------------------------|---------------------------------|
| EQUITY | | | |
| Equity attributable to owners of the Company | | | |
| Contributed equity | 5 | 84,330 | 84,126 |
| Other reserves | | (220) | (487) |
| Accumulated losses | | (55,499) | (55,040) |
| | | <u>28,611</u> | <u>28,599</u> |
| Total equity | | <u><u>28,611</u></u> | <u><u>28,599</u></u> |

The above Consolidated Statement of Financial Position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

| | Attributable to owners of SpeedCast International Limited | | | Total US\$'000 |
|---|---|-----------------------------------|----------------------------|-------------------|
| | Contributed equity US\$'000 | Accumulated losses US\$'000 | Other reserves US\$'000 | |
| Balance at 1 January 2014 | 35,864 | (18,096) | 4,708 | 22,476 |
| Loss for the half year | - | (5,516) | - | (5,516) |
| Other comprehensive income | - | - | (2,349) | (2,349) |
| Total comprehensive income/(loss) for the year | 35,864 | (23,612) | 2,359 | 14,611 |
| Transactions with owners in their capacity as owners | | | | |
| Dividend | - | (30,000) | - | (30,000) |
| Employee share scheme – value of employee services | - | - | 259 | 259 |
| | - | (30,000) | 259 | (29,741) |
| Balance at 30 June 2014 | 35,864 | (53,612) | 2,618 | (15,130) |
| Balance at 1 January 2015 | 84,126 | (55,040) | (487) | 28,599 |
| Profit for the half year | - | 2,668 | - | 2,668 |
| Other comprehensive income | - | - | 76 | 76 |
| Total comprehensive income/(loss) for the year | 84,126 | (52,372) | (411) | 31,343 |
| Transactions with owners in their capacity as owners | | | | |
| Dividend (Note 3) | - | (3,127) | - | (3,127) |
| Issue of ordinary shares | 204 | - | - | 204 |
| Employee share scheme – value of employee services | - | - | 191 | 191 |
| | 204 | (3,127) | 191 | (2,732) |
| Balance at 30 June 2015 | 84,330 | (55,499) | (220) | 28,611 |

The above Consolidated Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

| | Note | Half year 30 June 2015 US\$'000 | Half year 30 June 2014 US\$'000 |
|--|------|--|--|
| Cash flows from operating activities | | | |
| Cash generated from operations | | 13,561 | 11,962 |
| Interest paid | | (967) | (1,790) |
| Taxes paid | | (173) | (2,387) |
| Net cash inflows from operating activities | | 12,421 | 7,785 |
| Cash flows from investing activities | | | |
| Payments for acquisition of subsidiaries, net of cash acquired | | (34,740) | (6,313) |
| Payment for IPO and transaction related costs | | (1,367) | - |
| Payments for property, plant and equipment | | (3,850) | (2,128) |
| Interest received | | 32 | - |
| Net cash (outflows) from investing activities | | (39,925) | (8,441) |
| Cash flows from financing activities | | | |
| Proceeds from borrowings, net of transaction costs | | 45,206 | 30,000 |
| Repayment of borrowings | | (1,500) | (2,835) |
| Dividend paid | 3 | (3,127) | (29,609) |
| Repayments of obligations under finance leases | | (6) | (102) |
| Net cash inflows/(outflows) from financing activities | | 40,573 | (2,546) |
| Net increase/(decrease) change in cash and cash equivalents | | 13,069 | (3,202) |
| Cash and cash equivalents at beginning of the half year | | 10,079 | 12,250 |
| Effects of exchange rate changes on cash and cash equivalents | | (415) | 201 |
| Cash and cash equivalents at the end of the half year | | 22,733 | 9,249 |

The above Consolidated Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to the Financial Statements

1. Basis of preparation

This condensed consolidated interim financial report for the half-year reporting period ended 30 June 2015 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*.

This condensed consolidated interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2014 and any public announcements made by SpeedCast International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period.

SpeedCast International Limited (the Company) is a company domiciled and incorporated in Australia. The half year financial statements are for the consolidated entity consisting of the Company and its subsidiaries (together referred to as the Group).

The half year financial statements were authorised for issuance by the Board of Directors on 26 August 2015.

New and amended standards and interpretations adopted by the Group

There are no new or amended standards applicable for the first time for the June 2015 half-year report that affect the Group's accounting policies or any of the amounts recognised in the financial statements.

Impact of standards issued but not yet applied by the entity

IFRS 15 Revenue from contracts with customers

In May 2014, the IASB has issued a new standard for the recognition of revenue. This will replace IAS 18 which covers contracts for goods and services and IAS 11 which covers construction contracts. It is also expected that the AASB will endorse the standard to replace AASB 118 *Revenue* and AASB 111 *Construction Contracts*. It is expected that the standard will be effective for the 31 December 2018 financial year. The Company has not assessed the impact at this time.

2. Segment reporting

(a) Identification of reportable segments

The Group has identified its operating segment based on the reports reviewed by the Chief Executive Officer (CEO) that are used to make strategic decisions. The Group consists of one operating segment being the sale of satellite network services in various geographic markets.

Notes to the Financial Statements (continued)

2. Segment reporting (continued)

(b) Segment performance

| | Half year ended 30 June 2015 US\$'000 | Half year ended 30 June 2014 US'000 |
|--|--|--|
| Revenue from external customers | <u>71,747</u> | <u>54,436</u> |
| Segment EBITDA | 12,708 | 9,619 |
| IPO and transaction related costs | (1,386) | (6,446) |
| Depreciation of property, plant and equipment | (3,394) | (1,959) |
| Amortisation of intangible assets | (3,387) | (4,947) |
| Finance costs, net | (1,164) | (1,977) |
| Share of profits from interests in joint venture | 145 | 18 |
| Income tax (expense)/credit | <u>(854)</u> | <u>176</u> |
| Total net profit/(loss) after tax | <u><u>2,668</u></u> | <u><u>(5,516)</u></u> |

(c) Segment assets and liabilities

| | 30 June 2015 US\$'000 | 31 December 2014 US\$'000 |
|---|--------------------------|------------------------------|
| Segment assets – total assets other than deferred tax assets | <u>158,514</u> | <u>104,327</u> |
| Segment liabilities – total liabilities other than financial liabilities and deferred tax liabilities | <u>125,765</u> | <u>73,429</u> |

(d) Revenue by customers' geography

| | Maritime US\$'000 | Australia US\$'000 | Pacific Islands US\$'000 | EMEA and other (ex- Afghanistan) US\$'000 | Afghanistan US\$'000 | Inter segment elimination US\$'000 | Broadband services equipment revenue US\$'000 | Total US\$'000 |
|------------------------------------|----------------------|-----------------------|--------------------------------|--|-------------------------|---|---|-------------------|
| Half year ended 30 June 2015 | <u>19,056</u> | <u>20,017</u> | <u>16,957</u> | <u>20,766</u> | <u>1,861</u> | <u>(12,382)</u> | <u>5,472</u> | <u>71,747</u> |
| Half year ended 30 June 2014 | <u>11,214</u> | <u>13,227</u> | <u>14,302</u> | <u>8,828</u> | <u>1,587</u> | <u>(1,195)</u> | <u>6,473</u> | <u>54,436</u> |

Notes to the Financial Statements (continued)

2. Segment reporting (continued)

(e) Geographical information of the Group's non-current assets

| | Maritime US\$'000 | Australia US\$'000 | Pacific Islands US\$'000 | EMEA and other (ex- Afghanistan) US\$'000 | Afghanistan US\$'000 | Total US\$'000 |
|---------------------------------------|----------------------|-----------------------|--------------------------------|--|-------------------------|-----------------------|
| As at 30 June 2015 | | | | | | |
| Property plant and equipment | 894 | 2,581 | 1,162 | 15,916 | - | 20,553 |
| Goodwill and intangible assets | 2,185 | 12,118 | 20,194 | 45,120 | - | 79,617 |
| Interest in joint ventures | - | - | - | 185 | - | 185 |
| | <u>3,079</u> | <u>14,699</u> | <u>21,356</u> | <u>61,221</u> | <u>-</u> | <u>100,355</u> |
| | <u><u>3,079</u></u> | <u><u>14,699</u></u> | <u><u>21,356</u></u> | <u><u>61,221</u></u> | <u><u>-</u></u> | <u><u>100,355</u></u> |
| As at 31 December 2014 | | | | | | |
| Property plant and equipment | 1,047 | 2,941 | 1,025 | 9,514 | - | 14,527 |
| Goodwill and intangible assets | 2,422 | 12,720 | 22,080 | 15,521 | - | 52,743 |
| Interest in joint ventures | - | - | - | 45 | - | 45 |
| | <u>3,469</u> | <u>15,661</u> | <u>23,105</u> | <u>25,080</u> | <u>-</u> | <u>67,315</u> |
| | <u><u>3,469</u></u> | <u><u>15,661</u></u> | <u><u>23,105</u></u> | <u><u>25,080</u></u> | <u><u>-</u></u> | <u><u>67,315</u></u> |

Notes to the Financial Statements (continued)

3. Dividends

| | Cents per share | Total amount US\$'000 |
|--|-----------------|--------------------------|
| Interim dividend declared for the half year ended 30 June 2015 | AUD 3.00 cents | 2,644 |
| Final dividend provided for and paid for the year ended 31 December 2014 | AUD 3.36 cents | 3,127 |
| Interim dividend paid for the half year ended 30 June 2014 | USD 2.59 cents | 30,000 |

On 26 August 2015, the Board approved an interim dividend of AUD 3.00 cents per share for the six months ended 30 June 2015. The dividend will be paid on 6 October 2015 to all shareholders registered on the record date of 8 September 2015. The ex-dividend date for dividend entitlement will be 4 September 2015. The dividend will be fully franked for Australian taxation purpose.

No dividend reinvestment plan was in operation during the half year ended 30 June 2015.

4. Borrowings

| | 30 June 2015 | 31 December 2014 |
|---|---------------|---------------------|
| | US\$'000 | US\$'000 |
| Portion of bank loans due for repayment within one year | - | - |
| After 1 year but within 2 years | - | - |
| After 2 years but within 5 years | 83,863 | 41,278 |
| | <u>83,863</u> | <u>41,278</u> |

As at 1 January 2015, the Group had revolving facilities of USD60 million with Westpac Banking Corporation, HSBC and Siemens Financial Services Inc. The revolving facilities are multi-currency and comprised USD35 million with a 3 year term, and USD25 million with a 5 year term.

On 23 March 2015 and as at 30 June 2015, the multi-currency revolving facilities have been increased to USD90 million. Following the increase the 5 year term facility increased from USD25 million to USD55 million. All other terms remain unchanged.

As at 30 June 2015, USD83.9 million was drawn of which USD48.4 million was drawn in AUD and 35.5 million in USD. USD32.1 million of the drawn amount relates to the 3 year facility and USD51.8 million relates to the 5 year facility.

During the half year ended 30 June 2015, the Group has complied with all loan covenants and there were no defaults or breaches on any of the loans.

Notes to the Financial Statements (continued)

5. Contributed equity

Movement in ordinary share capital in the half year ended 30 June 2015 is set out below.

| | No. of Shares | US\$'000 |
|--------------------------------------|------------------|----------|
| Share capital as at 31 December 2014 | 120,168,355 | 84,126 |
| Ordinary shares issued | 132,940 | 204 |
| Share capital as at 30 June 2015 | 120,301,295 | 84,330 |

On 14 May 2015, 132,940 new ordinary fully paid shares were issued in accordance with the Share Purchase Agreement to acquire Geolink Satellite Services.

6. Contingencies

Additional potential consideration comprising an earn-out of up to USD8.5 million is payable in relation to the acquisition of Hermes Datacommunications if certain revenue growth targets are reached in 2015, starting at \$1.5 million of additional cash consideration for the achievement of USD33 million of revenue in 2015 and increasing progressively with revenue growth. Any additional consideration above the initial \$1.5 million is payable split equally between cash and SpeedCast shares. The total amount potentially payable is capped at an amount of \$8.5 million for significant outperformance.

Other than as noted above the Group did not have any material contingent liabilities as at 30 June 2015.

7. Events after the balance sheet date

On 10 July 2015, the Group entered into a definitive agreement to acquire certain assets of NewSat, the largest satellite communications company in Australia, for AUD13 million. The transaction completed on the same date.

On 28 July 2015, the Group entered into a definitive agreement to acquire SAIT Communications Limited, providing satellite communications services to the maritime industry in Southern Europe, for USD14.2 million. The transaction completed on 3 August 2015.

The accounting for both these acquisitions and the acquisitions of Hermes Datacommunications and Geolink Satellite Services has not been finalised at the date of this report.

SpeedCast International Limited

Directors' Declaration

In the Directors' opinion:

- (a) the financial statements and notes set out on pages 10 to 19 are in accordance with the *Corporations Act 2001*, including:
 - (i) complying with Accounting Standards, the *Corporations Regulations 2001* and other mandatory professional reporting requirements, and
 - (ii) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half year ended on that date, and
- (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Directors.



Pierre-Jean Beylier
Chief Executive Officer, Executive Director
26 August 2015



Independent auditor's review report to the members of SpeedCast International Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of SpeedCast International Limited (the Company), which comprises the consolidated statement of financial position as at 30 June 2015, the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for SpeedCast International Group (the consolidated entity). The consolidated entity comprises the company and the entities it controlled from time to time during the half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of SpeedCast International Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

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Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of SpeedCast International Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2015 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

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A handwritten signature in blue ink, appearing to read 'Andrew Forman', is written over the printed name.

Andrew Forman
Partner

Adelaide
26 August 2015