

ASX/NEWS RELEASE – OTC



22 July 2014

COMPANY UPDATE AND FY2014 GUIDANCE

Highlights:

- **FY2014 revenue expected to be approximately \$113 million**
- **FY2014 EBITDA expected to exceed prior year result of \$10.9 million**
- **Forecast cash position over \$15 million post 30 June 2014**
- **Positive impact of revenue diversification strategy**

OTOC Limited ("OTOC", ASX: OTC) is pleased to provide the following company update and earnings guidance for the financial year ended 30 June 2014 (FY2014).

FY2014 Guidance

Based on unaudited financial accounts and current projections, OTOC is pleased to advise that it expects to achieve FY2014 EBITDA in excess of its FY2013 EBITDA result of \$10.9 million. FY2014 revenue is expected to be largely in-line with FY2013 revenue of \$113 million.

OTOC expects to release its financial results for FY2014 in late August 2014.

Balance Sheet Strength

Based on OTOC's current unaudited cash position and following receipt of a client-approved project receivable, OTOC is expected to have over \$15 million of cash on the balance sheet post 30 June 2014.

OTOC has strong balance sheet capacity to deliver its current work load, organic growth opportunities and to fund acquisitions as part of its stated strategy of expanding OTOC's surveying, town planning and mapping capabilities into new geographic markets and products.

Outlook

OTOC enters FY2015 with contracts for work in its core infrastructure services operations.

OTOC's incumbent position at Nauru and proven execution capability with the construction of the Nauru processing centre has provided a strong baseline of revenue for the group. OTOC continues to provide infrastructure work on Nauru and is enthused by the opportunities to deliver further government infrastructure works.

While the North-West resources market remains challenging, OTOC has been successful in securing new infrastructure services contracts, including its recently announced contract for in-ground services in connection with the Roy Hill project.

During FY2014 OTOC carried out a review of Whelans and implemented a number of restructuring measures aimed at lifting profitability of the business. OTOC is confident this review has better positioned Whelans to capitalise on its strong brand, established track record and talented team of professionals.

Expanding OTOC's geographic reach and breadth of services in surveying, town and urban planning and aerial mapping services is a strategic priority. The surveying sector is highly fragmented and with an ageing owner-operator demographic, OTOC considers itself to be ideally positioned to acquire complementary businesses and create a premium national surveying business with exposure to diversified infrastructure investment, strong revenue growth and recurring earnings.

Simon Thomas, CEO of OTOC said:

"OTOC is pleased to advise of another year of strong profit growth with EBITDA expected to exceed \$10.9 million. This achievement is very pleasing given the reduction in mining capital expenditure we have seen in Western Australia and generally subdued trading conditions in the resources services sector. These financial results reflect the benefits of our strategy of targeting a more diversified operating and revenue base, resulting in higher quality earnings and greater profit margins.

In the year ahead, we will seek to capitalise on OTOC's strong financial position to further diversify the company's service offerings and establish OTOC as a preeminent infrastructure services company".

- Ends -

About OTOC

OTOC Limited is a leading provider of infrastructure services through its wholly owned operations OTOC Australia and Whelans Australia.

OTOC Australia specialises in the installation of infrastructure for government, mining and oil and gas projects. OTOC Australia has a successful track record of delivering turnkey infrastructure solutions for blue-chip clients including Rio Tinto, BHP Billiton, Roy Hill and FMG.

Whelans operates throughout Australian and is a leading consultancy in the provision of surveying, aerial surveys and town planning.

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