

13 February 2015

XRF announces half-year results

XRF Scientific Ltd (“XRF” or “The Company”) today announced its results for the December 2014 half-year:

Key Highlights

- Revenue, up 1% to \$10.8 million (1H14: \$10.7 million);
- Underlying Earnings*, up 13% to \$2.3 million (1H14: \$2.0 million);
- Underlying Earnings*, up 23% to \$2.3 million when compared to 2H14: \$1.9 million;
- Net Profit After Tax (NPAT), up 16% to \$1.6 million (1H14: \$1.4 million);
- Earnings Before Interest and Tax (EBIT), up 12% to \$2.0 million (1H14: \$1.8 million);
- **Maiden interim dividend of 0.5 cents per share, fully franked**

*Net Profit Before Tax after adding back business acquisition costs of \$156k expensed to profit & loss.

The result reflects improving conditions for capital equipment, with sales of consumable and precious metal products remaining steady. This has allowed the Company to generate strong growth both on the PCP and 2H14. The increase is directly attributable to the Company’s long term strategy of expansion via new product developments, growing international sales and acquisitions.

Non-mining revenue has now grown to a point where the Company estimates that it makes up approximately 25-30% of sales. Contributing towards this are new product releases such as the xrFuse 2 electric fusion machine, as well as the appointment of new distributors in countries such as China, South Korea, Malaysia and Turkey. Long-term partners in Europe and USA, and our office in Canada also continue to drive such exposures.

XRF’s CEO, Vance Stazzonelli, commented on the half-year result: “We are extremely pleased to deliver this positive result for shareholders. Whilst conditions were slow in July and August, a significant improvement was experienced from September onwards. This has resulted in a 23% increase in Underlying Earnings over the second half of FY14.

Whilst a number of factors have contributed towards this increase, our Capital Equipment division deserves a special mention. The management team have worked tirelessly over the past two years to transform the division, into the profitable business it now is today. A disciplined approach has been taken with new product developments, with projects delivered on time and to budget. Serious gaps in our product range have now been filled, which meet our customers’ expectations.

Although conditions have remained difficult overall for the past two years, cash flow and profits have remained stable. As a result of this the Board has determined that it will split the final dividend and now commence an interim dividend. The interim dividend will have a record date of 20 February 2015 and payment date of 6 March 2015.

Throughout the half two high quality bolt-on acquisitions were completed, in ICPH Flux (France) and Coltide XRF Drift Monitors (Australia). Both of these businesses have been successfully integrated into our

operations and sales have commenced. The Company has a significant cash position of \$5.7m as at 31 January 2015, which will allow the Board to progress forward with other opportunities currently under review.”

Please direct any inquiries to:

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About XRF Scientific:

XRF Scientific Limited is an Australian listed company (ASX: XRF) based in Perth, Western Australia. XRF manufactures equipment and chemicals, which are distributed to production mines and commercial analytical laboratories in Australia and overseas and used in the preparation of samples for analysis.

XRF has manufacturing, sales and support facilities located in Perth, Melbourne and Canada, plus a global network of distributors. The Company has representation in the United States, South America, Canada, Europe, Africa, the Middle East and Asia and has a customer base that includes multinational blue-chip customers such as:- BHP Billiton, Rio Tinto, Vale, Iluka, Xstrata, Nickel West, Robe River Iron Associates, Alcoa, CSIRO, Intertek, PT Inco, Pilbara Iron, Bureau Veritas, SGS and ALS.

XRF’s technology is used to measure the composition and purity of materials and is mainly applied in industrial quality control and in process control for manufacturing processes in industries such as metals and mining, construction materials, chemicals and petrochemicals.

XRF products help customers to improve product quality and performance, increase productivity and yield and reduce downtime and waste. Its businesses have established positions in their specialised markets.