

### Highlights

- **H1 NPAT over \$3.5m**
- **Net cash at 31 December of \$45m**
- **Fully franked interim dividend of 1.35 cps**
- **Profitable H2 expected but conditions remain challenging**

#### First Half Results

Southern Cross Electrical Engineering Limited (SCEE) is pleased to advise that it expects to report a net profit after tax over \$3.5m for the half year ended 31 December 2015.

The anticipated result, which is subject to review by the Company's auditors and final Board approval, has been driven by a strong performance on key projects during the period.

#### Cash Position

At 31 December 2015 SCEE had a cash balance of \$45m and no debt.

#### Interim Dividend

In light of the strong first half performance and cash balance the Board intends, subject to confirmation of the results, to declare an interim fully franked dividend of 1.35 cents per share. The Board anticipates maintaining the total dividend for the 2016 financial year at 2.7 cents per share, being the same absolute level as in the past three years.

#### Second Half Outlook

The Company continues to trade profitably moving into the second half of the year as key projects complete. Market conditions remain challenging with little visibility of large scale projects in the pipeline in the iron ore, coal and minerals and metals markets. Activity in smaller sustaining capital projects remains strong and with our brand recognition and extensive experience with clients tendering activity is high. The construction phase of Australian LNG projects continues and offers SCEE potential for further growth in this sector.

While the Company expects to deliver further profit in H2, the full year result is dependent on the timing of winning and performing new work. As a result no definitive full year guidance is provided at this time.

#### CEO Comment

New CEO Graeme Dunn commented "Notwithstanding the challenging conditions in SCEE's historic markets, the Company remains committed to delivering growth through expansion into new geographies and adjacent and complementary sectors, both organically and through acquisition. A number of potential opportunities have been identified and investigated. Although none of these have resulted in a transaction yet we remain very active in this area.

Management is highly focussed on cost control and we are continually reviewing our operating structure to identify increased efficiencies."

#### Contact

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