



Royal Wolf Holdings Limited
ABN 91 121 226 793

August 12 2014

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

Dear Sir/Madam

ROYAL WOLF HOLDINGS LIMITED: FY 2014 Results

Please find attached an announcement for release to the market.

Yours faithfully

Greg Baker
Company Secretary

About Royal Wolf

Royal Wolf is Australasia's largest provider of container solutions with 33 facilities including 28 dedicated Customer Service Centres located throughout Australia & New Zealand and a hire fleet of over 40,300 containers at 30 June 2014. Royal Wolf has 19 years of experience and a commitment to providing superior customer service. We offer over 100 container based designs with applications in portable storage, portable buildings, mining camps and freight containers.

MEDIA RELEASE

Royal Wolf – revenue and profit growth for a leader of the pack.

We continue to deliver on our stated strategy of increasing leasing revenue by leveraging product, geography and industry diversity to achieve our 4th consecutive year of double digit growth in leasing revenue

Key points on the results

- Revenues of \$175.7 million were at record levels, 17.6% ahead of FY2013.
- Leasing revenues were \$80.6 million, an increase of \$8.4 million or 11.7% over last year.
- Trading EBITDA of \$46.7 million (margin of 26.6%) is \$4.9 million ahead of FY2013 representing an increase of 11.7%.
- Underlying NPAT increased by 10.8% to \$19.0 million compared to FY2013.
- The lease demand is from all industry sectors and leasing revenue growth was delivered through run rate from both acquisitive and organic growth, including the delivery of 8 transportable camps during the year.
- Leasing revenue comprised 45.9% of total revenue versus 48.3% last year. Excluding the impact of the large low margin sales contract in the freight segment foreshadowed at the FY2013 results announcement, the leasing revenue would have been 49.3% of total revenue.
- The total units on lease increased to 33,220 from 30,862 at 30 June 2013, an increase of 7.6%. The increase in total lease fleet to 40,378 from 39,183 at 30 June 2013 demonstrates this growth was significantly achieved through utilisation.
- 30th June 2014 utilisation was 82.3% compared to 78.8% at 30 June 2013. Average utilisation of 82.4% compares to prior year of 81.6%.
- Increased rental revenues in the Customer Service Centre (CSC) business, which are higher margin revenues, offset the \$2.6m decline in CSC Australian sales. Sales and lease revenue increases in New Zealand CSC business combine to deliver a 10.1% growth in the New Zealand (NZD) EBITDA.
- Sales revenue increased to \$95.1 million from \$77.2 million, an increase of 23.2%. The delivery of the single low margin sales contract contributed in excess of \$12.0 million.
- Net Profit after Tax (NPAT) attributable to ordinary shareholders was \$15.9 million or 15.9c per share compared to 14.7c per share for FY 2013, an increase NPAT of 8.3%.
- Royal Wolf paid an interim dividend of 5.0c per share (unfranked) in April 2014 and a final dividend of 5.5c per share (unfranked) will be paid on 3 October 2014.

(\$ in thousands, FYE 30 June)	Actual FY2014	Actual FY2013
Container lease revenue	80,614	72,186
Container sales revenue	95,081	77,199
Total revenue	175,695	149,385
Trading EBITDA*	46,700	41,801
EBITDA	46,098	42,362
EBITA	32,670	31,666
EBIT	28,876	27,313
Underlying NPAT	18,967	17,122
NPAT	15,943	14,717
EPS	15.9c	14.7c

* Trading EBITDA is calculated to eliminate the impact of unrealised exchange gains and losses and mark to market revaluation of FX hedge instruments which we do not consider to be indicative of the performance of our ongoing operations.

** Underlying NPAT is presented as follows:

	Actual FY2014	Actual FY2013
Underlying NPAT		
NPAT	15,943	14,717
<i>Items not forming part of the normal ongoing operating activity</i>		
Mark to market valuation loss/(gain) for interest rate swaps	225	(166)
Unrealised exchange loss/(gain) on forward contracts	608	(562)
Amortisation of intangible assets related to business acquisitions	3,487	4,164
<i>Subtotal</i>	4,320	3,436
Tax effect	(1,296)	(1,031)
<i>Subtotal</i>	3,024	2,405
Underlying NPAT	18,967	17,122

Management Commentary

Robert Allan, Chief Executive Officer said: "This has been a strong performance from the team at Royal Wolf in a challenging year. We believe the results reinforce Royal Wolf's ability to deliver growth from our customer focus, existing and new containerised product range, diverse geographies and diverse client base."

"The introduction of our broader product range and our expanding national footprint in New Zealand Customer Service Centres combined to provide good growth. The Australian Customer Service Centres found customers less willing to transact in the sales channel and were \$2.6 million behind last year, however we delivered growth in the leasing channel and are well positioned to support their leasing requirement which is our key strategy for future growth."

"In Australia, our strengthening reputation in delivering container based high quality portable buildings have contributed to our FY2014 success with our range being applied to

transportable camps, low and medium security prisons, pop up retail and strong support from the events industry."

"The delivery of a large low margin sale in the freight sector lifted sales revenue by in excess of \$12 million. The freight sector contributed well to our growth as we increased our attention to this market and completed an acquisition during the year. Some sectors of the freight industry still show lower demand levels in the current economic environment and as this lifts we see further scope for growth."

"It is very pleasing to note that each of our containerised portable storage and portable buildings markets are each delivering leasing revenue growth year on year."

"Royal Wolf continues to seek profit accretive acquisitions and to increase our Customer Service Centres and agents network to bring our product range, responsiveness and capacity closer to our customers."

"Royal Wolf enters FY2015 stocked at optimal levels to meet our near term forward order and forecast activity. We continue to adjust our procurement decisions as demand and utilisation require. Our team is focused on improving our safety focus and delivered a significant reduction in our LTIFR during the year. The company is committed to providing a safe work environment. We actively invest in recognising and developing our team as the core of our success."

"Royal Wolf has grown its existing business segments through product focus and meeting specific customer needs while also developing into new business segments such as building solutions for the building and construction industries and accommodation solutions for the infrastructure, resources, oil and gas and government sectors."

"Our broad range of geographies, products and industry sectors, continuing product innovation and our long track record of customer relationships auger well for our growth plans and give us confidence that, subject to no unforeseen deterioration in market conditions, we will deliver year on year growth."

For further information please contact:

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