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ASX Announcements

29 August 2014

ASX: DSB

Board of Directors

Gordon Galt – Chairman

Stephen Bizzaca – Managing
Director – CEO

Glyn Dawkins – Non Executive
Director

Geoff Garside –Executive Director

Company Secretary

Geoff Garside

Principal Contact

Stephen Bizzaca – Managing
Director – CEO

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To : Australian Securities Exchange

Company Announcements

Results for announcement to the market.

Preliminary Final Report – Appendix 4E

RESULTS FOR YEAR ENDED 30 JUNE 2014

Please find attached the Delta SBD Limited Preliminary Final
Report (Appendix 4E) for the year ended 30 June 2014.

Yours Faithfully

Geoff Garside
Company Secretary

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Appendix 4E

PRELIMINARY FINAL REPORT

1. Company details

Name of Entity:	Delta SBD Limited
ABN:	18 127 894 893
Reporting period:	Financial year ended 30 June 2014
Previous Corresponding period:	Financial year ended 30 June 2013

2. Results for announcement to the market

Statutory Loss/Profit

The Company's net loss after tax for the twelve months ended 30 June 2014 amounted to \$43.25 million (2013: \$7.07 million).

<i>In thousands of AUD</i>	2014	2013	Change
Revenue from ordinary activities	69,346	145,114	(52%)
EBITDA	29	16,599	(100%)
Profit/(loss) from ordinary activities after tax attributable to members	(42826)	7,072	(706%)
Net profit/(loss) for the period attributable to members	(43,254)	7,072	(712%)
Basic EPS	(90.41c)	15.68c	(677%)

Adjusted Underlying Profits (*not subject to audit procedures*)

Underlying loss has been presented to assist in the assessment of the relative performance of the Group. Underlying profit is non-IFRS financial information and has not been subject to audit by the Group's external auditors.

To determine underlying net profits after tax as shown in the table below, adjustments have been made including impairment of goodwill costs of \$29.30 million, impairment of asset held for sale/kept for sustainable operation costs of \$11.32 million, restructuring costs of \$1.59 million (2013: \$966,000) and valuation of options being a non-cash item which was not part of our normal course of business.

<i>In thousands of AUD</i>	2014	2013	Change %
Revenue from ordinary activities	69,346	145,114	(52%)
EBITDA	2,129	17,980	(88%)
Profit/(loss) from ordinary activities after tax attributable to members	(1,797)	8,038	(122%)
Net profit/(loss) for the period attributable to members	(1,797)	8,038	(122%)
Basic EPS	(3.74c)	17.82c	(121%)

For an explanation of the figures above please refer to the Delta SBD Limited Consolidated Annual Report 2014 and the accompanying notes.

Significant Changes in the State of Affairs

In the opinion of the Directors, there were significant changes in the state of affairs of the Group that occurred during the financial year under review. As per previous ASX announcements, the Group has implemented an organisational restructure, disposed of the longwall fleet and achieved a substantial reduction in debt. The Group retains longwall expertise and a substantial fleet of equipment for sustainable expansion of current operations. The associated asset sales agreement enables the Company to hire any required equipment to undertake and complete “turnkey” longwall move projects. Importantly the Company enters 2015 with almost no debt and a positive cash flow.

3. Dividends

Dividends	Amount per security	Total amount ('000s)	Franked amount per security
Current reporting period No Declared Final Dividend for FY2014	NIL	NIL	NIL
Interim Dividend Not Paid			
Previous corresponding reporting period Final 2013 Ordinary	1.80 cents	837	100%

4. Review of Results

The 2013/14 year was a very difficult year for Delta SBD (the Group) due to the market conditions experienced by companies operating in the resources sector, particularly in the coal industry. Key operating and financial highlights are listed below:

2014 operating highlights

- Safety performance continues to be in the best quartile for the sector, with total recordable injury frequency rate decreasing by 29% over the past twelve months to 12.8 (1,000,000 hours basis), while our proactive safety measures remained on target with one leading initiative performed for every 9.8 hours worked;
- Significant new contracts awarded, including:
 - Initial installation of longwall system at Glencore's new Ulan West mine;
 - Longwall relocation assistance at Yancoal's Austar mine;
 - Conveyor installations at Peabody's Wambo mine; and
 - Civil work project associated with Illawarra Coal's Appin mine expansion (Area 9) (15 month term);
- Maintained the majority of existing long-term ongoing and recurring work contracts;
- Successfully completed the company's first overseas longwall project; and
- Introduced a new national enterprise agreement.

2014 financial summary

- Underlying NPAT decreased by 122% to (\$1.78) million (2013: \$8.04 million)
- Revenue decreased by 52% to \$69.35 million (2013: 145.1 million)
- Underlying earnings before interest, tax, depreciation and amortisation (EBITDA) decreased by 88% to \$2.13 million (2013: \$17.980 million)
- Underlying EBITDA margin of 3.1% (2013: 12.4%)
- Disappointing balance sheet with cash, cash equivalent and non-current security deposits on hand at 2013/14 year end of -\$2.28 million (2013: \$7.6 million) due to increased use of finance facility
- Underlying Earnings per Share (EPS) -3.74 cents (2013: 17.82 cents)
- Directors have not declared a final dividend
- Decisive action taken to reduce costs and position company for future growth
- Company repositioned itself in response to market conditions; poised to capitalise when favourable market conditions return

For additional information on results and operations for the period please refer to the Delta SBD Limited 2014 Annual Report.

5. Statement of Profit or Loss and Other Comprehensive Income

Refer to page 34 of the Delta SBD Limited Consolidated Annual Report 2014 and the accompanying notes.

6. Statement of Financial Position

Refer to page 33 of the Delta SBD Limited Consolidated Annual Report 2014 and the accompanying notes.

7. Statement of Changes in Equity

Refer to page 35 of the Delta SBD Limited Consolidated Annual Report 2014 and the accompanying notes.

8. Statement of Cash Flows

Refer to page 36 of the Delta SBD Limited Consolidated Annual Report 2014 and the accompanying notes.

9. Notes to the financial statements

Refer to pages 37 to 75 of the Delta SBD Limited Consolidated Annual Report 2014.

10. Net tangible assets

	2014	2013
Net tangible assets (in thousands of dollars)	15,684	29,919
Number of shares	47,367,146	46,518,786
Net tangible assets per share – (dollars per share)	0.33	0.64

11.Dividends

The following dividends were declared and paid by the Group:

<i>In thousands of dollars</i>	Cents per share	Total Amount \$'000	Franked/ Unfranked	Date of payment
Final 2013 ordinary	1.80	\$837	Franked	29 September 2013

Franked dividends declared or paid during the year were franked at the tax rate of 30%.

Declared after the end of year

After the 2014 balance sheet date no dividends were proposed by the Directors.

Compliance Statement

This report is based on the financial statements of Delta SBD Limited.

The financial statements have not yet been audited by KPMG and are in the process of being audited. No modification to these results is anticipated by the auditor.

Delta SBD Limited has a formally constituted Audit and Compliance Committee.

Geoff Garside
Company Secretary