Royal Wolf Holdings Limited
ABN 91 121 226 793

February 10 2015

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

Dear Sir/Madam

ROYAL WOLF HOLDINGS LIMITED: FY 2015 First Half Results

Please find attached an announcement for release to the market.

Yours faithfully

Greg Baker

Greg Baker
Company Secretary

About Royal Wolf

Royal Wolf is Australasia's largest provider of container solutions with 32 facilities including 28 dedicated Customer Service Centres located throughout Australia & New Zealand and a hire fleet of approximately 41,700 containers at 31 December 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.

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MEDIA RELEASE

Royal Wolf continues to execute key strategy of growing lease revenues.

Key points on the results

- Leasing revenues were $41.7 million, an increase of $2.8 million, or 7.2% over 1H14.

- Leasing revenues achieved 56.3% of total revenues versus 44.0% in 1H14.

- Utilisation was 85.8% at 31 December 2014 compared to 82.3% at 30 June 2014 and 86.5% at 31 December 2013. Average utilisation for the 1H15 was 83.2% compared to 81.7% for 1H14.

- The lease demand increased in all three product markets and leasing revenue growth was delivered through a combination of the run rate of FY14 fleet investment and FY15 traction with investment in new products, acquisitions and organic growth.

- Total revenues of $74.2 million, 16.1% behind 1H14 with previous period significant sales not replicated.

- EBITDA result reinforces resilience of the model and quality of leasing revenue with EBITDA performance maintained despite volatility in lower margin sales channel.

- Trading EBITDA of $21.5 million (margin of 29.0%) compares to $21.5 million (margin of 24.3%) last year.

- Net Profit after Tax (NPAT) attributable to ordinary shareholders was $6.3 million or 6.3c is marginally behind 1H14 of $6.4 million.

- Interim dividend of 4.0c per share (franked to 62.5 %) will be paid on 3 April 2015.

($ in thousands)	1H15	1H14	% Growth
Selected income statement items			
Container lease revenue	41,737	38,920	7.2%
Container sales revenue	32,433	49,460	(34.4%)
Total revenue	74,170	88,380	(16.1%)
Trading EBITDA*	21,513	21,476	0.2%
EBITDA	21,228	20,751	2.3%
EBITA	13,663	14,498	(5.8%)
EBIT	12,250	12,403	(1.2%)
Underlying NPAT**	7,461	8,091	(7.8%)
NPAT	6,342	6,380	(0.6%)
EPS	6.3	6.4c	(1.6%)

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

**Underlying NPAT is presented as follows:

	1H15	1H14
NPAT	6,342	6,380
Items not forming part of the normal ongoing operating activity		
Mark to market valuation loss/(gain) for interest rate swaps	14	(174)
Unrealised exchange loss/(gain) on forward contracts	284	725
Amortisation of intangible assets related to business acquisitions	1,300	1,893
Subtotal	1,598	2,444
Tax effect	(479)	(733)
Subtotal	1,119	1,711
Underlying NPAT	7,461	8,091

Management Commentary

Robert Allan, Chief Executive Officer said: “We continue our strategy of growth in the leasing revenue base and are pleased with our success.”

“As we review the half year, we see a slight contraction in sales revenue even after adjusting for the influence of the two significant sales in 1H14 to a rail based logistics company valued in excess of $12.0 million and a sale in excess of $4.0 million in the resources sector.”

“We have signalled unusual sales transactions prior, during and post their delivery as the impact of these sales is generally low gross margin and unpredictable in their timing. Our mainstream strategic plan continues to focus on leasing revenue growth.”

“It is very pleasing to note that each of our containerised portable storage, freight and portable buildings markets are delivering leasing revenue growth year on year as the run rate from the FY14 growth delivers revenue in 1H15.”

“For leasing revenue, the increasing demand on the Eastern Seaboard of Australia, continuing strength of the New Zealand market and good seasonal freight sector demand are more than offsetting the reduced resource based activity in Western Australia.”

“The recent restructure of hire contracts relating to a customer providing camp accommodation solutions in Queensland will reduce rental revenues in the 2H15. We will actively market the available containers into other markets however a billing gap will occur as they are redeployed. We will adjust the levers of the business to this market change - SG&A costs and container fleet capital expenditure have been and will continue to be reduced.”

“The group is experiencing increased demand from the building and construction industry and is investing in relevant fleet. The softening of the resources sector, the timing impact of the restructured contracts and the general uncertainty in the Australian economy is impacting our expectation for the year and we anticipate delivering a similar result to FY14 for FY15.”

For further information please contact:

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