



**ASX Announcement**

**16 March 2015**

**SubZero Half Year 2015 Final Results**

Further to the Company's announcement dated 27 February 2015, SubZero Group Limited (ASX Code: SZG) (**SubZero** or the **Company**) provides the following update:

**Half Year ended 31 December 2014 Final Results**

On 27 February 2015 the Company reported a Net Loss after tax, including a number of one off provisions and write downs, of \$22.7 million. The attached report contains the signed Directors' Report, Directors' Declaration as well as the signed Audit Review. The result as reported on 27 February 2015 has not changed. The Board notes that the wording around the material uncertainty as described in the Directors' Report, Note 1(a) of the financial statements and the Directors' Declaration has been reviewed to provide greater understanding of the risk around the use of the going concern assumption to prepare the financial statements.

Since the announcement on 27 February 2015 the Company makes note of the following:

- Vantage Performance has completed its independent report with the board adopting the recommendations it has put forward. The report confirms the Company has a viable and profitable business going forward assuming a recapitalisation of the Company occurs;
- The \$1.5m of additional credit funding provided by the Company's secured lenders has now been formally documented;
- Annualised cost savings achieved to date of \$11.5m with a further \$3.5m expected in Q4; and
- Improvement in the order book and unaudited trading results for January and February with revenue of \$3.5m and \$4.2m, gross margin of 20% and 22% and EBITDA of negative \$0.2m and break even all respectively.

The Auditor has issued an adverse opinion in relation to the use of the going concern assumption. The Board believes that with a successful capital raising and the implementation of the cost savings and other initiatives put forward by Vantage the Company can be successfully turned around.

SubZero continues to be very grateful for the level of support that it continues to receive from lenders, customers and suppliers.

The Company's shares will continue to remain suspended from trading until completion of the restructure of its balance sheet through either a recapitalisation or sale of all or parts of the business.

**For further information please contact:**

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**About SubZero Group Limited**

The SubZero Group carries on an established mining service business based in the Hunter Valley, New South Wales. Its clients are almost exclusively involved in the Hunter Valley thermal coal mining industry. SubZero Group's services include Mechanical Support (on and off-site mining machinery support), Structural Support (on and off-site engineering support) and Production Support (mining production support). SubZero has a presence in over 25 coal mines and over 90 clients including Rio Tinto, BHP Billiton and Xstrata. Further information can be found at the SubZero website: [www.subzeroservices.com.au](http://www.subzeroservices.com.au)

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