



May 10th 2016

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

Dear Sir/Madam

**ROYAL WOLF HOLDINGS LIMITED: Third Quarter and Financial Year to Date 2016 Results**

Please find attached an announcement for release to the market.

Yours faithfully

Greg Baker  
Company Secretary

**About Royal Wolf**

Royal Wolf is the industry leader in the hire, sale and modification of new and refurbished shipping containers, with 20 years of experience and a network of 34 facilities including 31 dedicated Customer Service Centres across Australia and New Zealand.

Renowned for its focus on product innovation, Royal Wolf has taken the design and basic engineering of the traditional shipping container to new heights and today its products are used in a wide range of applications to help solve business challenges across many market sectors.

The company has a customer base of over 20,000, supplying customers each year with containers which are inexpensive, safe, secure, easily transportable and able to be modified with doors, internal walls, windows, electricity, water supply and more.

From portable storage options for consumers, sporting associations, community groups and schools, to accommodation units, mobile exhibitions, retail outlets, offices, kitchens, training facilities and innovative construction projects, experience shows 'You can do anything in a Royal Wolf'.

## **MEDIA RELEASE**

### **Growth in diverse sectors and geographies continues to minimise resource and energy sector reduction**

Royal Wolf presents a summary of the key underlying quarterly and YTD information provided to General Finance Corporation for inclusion in their third quarter release. The data below has been prepared in Australian Dollars and in accordance with International Financial Reporting Standards (IFRS).

#### ***Key points on the results***

- YTD total revenues were \$120.0 million, an increase of \$9.6 million, or 8.7% over last year and includes \$11.0 million of revenue from sales transactions in the freight sector.
- YTD container lease revenues of \$57.7 million were \$4.8 million lower compared to the prior corresponding period due to the \$6.3 million decrease from the resource and energy sectors, previously announced, partially offset by \$1.5 million of growth from other sectors.
- Container lease revenues comprises 55.8% for the quarter and 48.1% YTD of total revenues versus 57.4% and 56.6% in the same period last year.
- Average utilisation for the quarter was 81.4% compared to 82.2% last year and YTD was 80.3% compared to 82.9% last year.
- Utilisation of 78.7% at 31 March 2016 compares to 79.2% at 31 March 2015.
- Net debt reduced by \$15.3 million for the year to date.
- YTD EBITDA of \$27.9 million (margin of 23.3%) compared to \$32.4 million (margin of 29.3%) for the prior corresponding period.

#### **Management Commentary**

Robert Allan, Chief Executive Officer said: "Royal Wolf is experiencing increased demand from the building and construction and infrastructure industries which is partially offsetting the reduced container leasing revenue from accommodation solutions provided to the energy and resources sector, as previously announced."

"Container sales revenue included a number of sales transactions in the freight sector valued at approximately \$11.0 million. We have confirmed orders for a further \$8.0 million sales transactions in the freight sector for delivery in the final quarter of FY2016."

"At the end of the third quarter we have \$25.6 million of idle accommodation assets. Since the contraction of demand for accommodation solutions in the resources and energy sector in mid-2014, a total of \$10.8 million of these assets have been redeployed or sold."

"We continue to identify and secure opportunities to redeploy the idle accommodation assets both locally within Australia and New Zealand and internationally and remain confident of our ability to do so."

"A further 70 units with a value in excess of \$1.0 million are contracted under a lease commencing 1 July 2016."

"SG&A costs and container fleet capital expenditure are being managed to levels appropriate to our organic growth. Without the impact of resources and energy demand the levels of investment are much reduced and will contribute to continued debt reduction in the near term."

"We have subsequent to quarter end been advised by the Receivers we appointed to Titan Energy Services under our first ranking security that we will receive an interim payment of \$1.9 million by 30<sup>th</sup> June 2016."

"Whilst we will continue to pursue the balance of our secured claim of approximately \$3.0 million from remaining Titan asset sales, we have not included in our FY16 forecast any additional contribution and consequently reaffirm our previous guidance for EBITDA to be in the range of \$36.0-\$39.0 million and NPAT \$7.5-\$9.5 million."

General Finance Corporation (NASDAQ: GFN) is the majority shareholder owning just over 50% of our issued shares. Therefore these results are consolidated in General Finance Corporation results. General Finance Corporation intends to lodge its Form 10-Q with the U.S. Securities and Exchange Commission mid-May, and that form will be available for download at <http://www.generalfinance.com/investor.html> once lodged.

Shareholders should note that the results presented by General Finance Corporation are in U.S. Dollars and have been prepared in accordance with Generally Accepted Accounting Principles in the United States (US GAAP).

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## Financial Information

(\$ in thousands)

	Quarter ended March 31,			Nine Months ended March 31,		
	FY2016	FY2015	Growth %	FY2016	FY2015	Growth %
Container lease revenue	19,170	20,753	-7.6%	57,733	62,490	-7.6%
Container sales revenue	15,157	15,432	-1.8%	62,277	47,865	30.1%
Total revenue	34,327	36,185	-5.1%	120,010	110,355	8.7%
EBITDA	8,731	11,136	-21.6%	27,918	32,365	-13.7%
EBITA	4,493	7,018	-36.0%	15,647	20,681	-24.3%
EBIT	3,769	6,253	-39.7%	13,393	18,503	-27.6%
Underlying NPAT*	1,541	4,029	-61.7%	7,254	11,491	-36.9%
NPAT	1,232	3,515	-64.9%	5,924	9,859	-39.9%
EPS	1.2	3.5	-64.9%	5.9	9.8	-39.9%
Net Debt				106.5	133.6	-20.3%
Fleet capital expenditure	3.1	7.4	-58.1%	12.5	17.8	-29.8%

\*Underlying NPAT

NPAT

Items not forming part of the normal ongoing operating activity

Mark to market valuation loss/(gain) for interest rate swaps

Unrealised exchange loss/(gain) on forward contracts

Amortisation of intangible assets related to business acquisitions

Subtotal

Tax effect

Subtotal

Underlying NPAT

1,232	3,515
0	0
(212)	45
653	688
441	733
(132)	(220)
309	513
1,541	4,029

5,924	9,859
0	14
(138)	329
2,038	1,988
1,900	2,331
(570)	(699)
1,330	1,632
7,254	11,491

## Key Operating Metrics

Lease fleet

Units on lease

Utilisation %

Average units on lease

Average utilisation %

Container lease % of total revenue

Container sales % of total revenue

34,567	34,594
81.4%	82.2%
55.8%	57.4%
44.2%	42.6%

42,450	42,313
33,394	33,528
78.7%	79.2%
33,745	34,127
80.3%	82.9%
48.1%	56.6%
51.9%	43.4%