



## **AMMTEC GUIDANCE ON FIRST HALF PROFIT FY10**

21 December 2009

Ammtec has experienced a further half-year of difficult trading conditions for specialist engineering subsidiary Marc Technologies.

Ammtec expects consolidated NPAT for the half-year to 31 December 2009 to be slightly higher than the previous half-year to 30 June 2009, but lower than the corresponding first-half of 2008.

Historically, Ammtec's results have varied between the first and second half with no one half being consistently stronger than the other.

Managing Director Rod Smith said "Ammtec's core business remains strong and the current order book suggests that the metallurgical and mineral testing work at the Balcatta facilities in WA will be very strong in the second half to June 2010. There are a number of significant pilot plant programs committed to commence early in the new-year, indicating that demand for test work in WA is returning to the levels we experienced prior to the GFC."

Ammtec produced NPAT of \$6.9million for FY09 of which \$4.1million was generated in the first half and \$2.8million in the second half.

NPAT for the first half of this financial year FY10 is expected to be \$3million.

Smith said that the company "plans to upgrade the assay facility to cope with the increased demand from our metallurgical business. Planning approval has recently been granted for the construction of our new hydromet facility in Balcatta. The recently established mineralogy division is currently undertaking some innovative work associated with the oil and gas sector, which I expect to expand in the future."

"Our smaller divisions in South Australia, New South Wales and Tasmania have also experienced tough times in the period to November. Profit for the Burnie Research Laboratory has been affected by the reduction of mining activities in Tasmania."

"Marc's business is more directly linked to CAPEX projects, many of which have been cancelled or deferred due to the economic climate. However, we now have some significant prospects and if some recently quoted work comes to fruition, Marc will have a much stronger second half."

The Board has declined to give formal guidance in relation to FY10, but Smith believes that the second half will be much stronger than the first half and if prospects for Marc are achieved, results should at least equal those for the prior year.

### **For further information please contact:**

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