



**Hastie Group**

**Hastie Group Limited**

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## ASX/MEDIA RELEASE

25 May 2012

### MARKET UPDATE – ACCOUNTING IRREGULARITIES

Hastie Group Limited (ASX:HST) wishes to advise that it has discovered accounting irregularities in respect of its Services Group – Northern Region business. Based on limited investigations, these accounting irregularities will give rise to a charge to profits for the current financial year in the order of \$20 million.

These irregularities date from the financial year 2009 and appear to have resulted from the deliberate actions of a current employee (on suspension) and that potentially some current and former senior management may have participated in the irregularities and failed to apply the required standards of financial supervision and review.

Accounting irregularities in the order of \$3 million were discovered during the audit process for the half year ended 31 December 2011 and were taken into account in the Company's reported net loss for that period. However, fresh information recently received prompted further investigations to be undertaken which resulted in the discovery of materially increased irregularities.

The limited investigations to date do not indicate that cash has been misappropriated but these investigations are on-going.

The Company's auditors, Deloitte Touche Tohmatsu, have been asked to provide a Report and have been working with management to fully investigate both the quantum and extent of the accounting irregularities.

The Company has referred this matter to the Australian Securities and Investments Commission (ASIC) as a matter of continuing governance.

The Company intends to make a more definitive announcement in relation to these accounting irregularities once all investigations into them have been finalised.

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*Hastie Group Limited is a leading provider of technical and engineering services to the building, infrastructure and resources sectors. Hastie designs, manufactures, installs and maintains HVAC, Fire, Electrical, Plumbing, Industrial / Commercial Refrigeration and Marine and Offshore systems and equipment. Hastie operates throughout Australia, New Zealand, the UK, Ireland and the Middle East.*

For further information, please contact the Group CEO, Bill Wild, or the Company Secretary on +61 2 9714 4602.