



Hastie Group

Hastie Group Limited

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ASX/MEDIA RELEASE

11 April 2012

MARKET UPDATE – REVISED SYNDICATED FACILITY AGREEMENT SIGNED

Hastie Group Limited (ASX: HST) yesterday executed a revised Syndicated Facility Agreement (SFA) with its Banking Syndicate. The revised SFA reflects the terms initially agreed on 29 February 2012 and is anticipated to provide additional stability to the Group's finances and to permit management to focus on improving business performance.

The key features of the revised SFA are as follows:

- removes covenant testing for the second half of FY12
- introduces covenant testing for FY13 based on currently expected trading performance with first testing in respect of the quarter ended 30 September 2012
- maintains committed cash advance facilities at the same levels they were prior to HST announcing the significant write-downs for the half year to 31 December 2011, providing undrawn facilities to fund the working capital and general corporate purposes of the Group
- reduces Bank Guarantee facilities by \$30m, reflecting surplus unused capacity with an option for this capacity to be reinstated should it be needed for trading purposes

HST continues to experience difficult trading conditions both internationally and in Australia. This reflects tight market conditions for commercial construction which have been compounded by the uncertainty caused by HST's poor half year results and the delay in executing the revised SFA. Together, these factors have led to deferral of certain projects and the loss of projects HST would, under normal circumstances, have expected to win. These factors and further project margin reductions have seen the anticipated EBIT for the half year to 30 June 2012, reduced to a range of \$10m to \$15m (previously \$28m), before \$11m of restructure costs (previously \$14m).

Significant restructuring has been achieved particularly in the Middle East, and the Ireland/International operations. HST remains focused on working through the difficult issues in the Middle East particularly with two of its joint venture operating companies. HST retains its previous outlook around trading in the Middle East and a number of risks remain.

There are several initiatives currently running within the Australian business aimed at a more competitive cost structure to face the tight market conditions. As part of an ongoing review of operations, the Board has decided to sell the Austral refrigeration business and is assessing several of its other activities for sale. The Austral sale process is progressing well and is expected to be completed in the first quarter FY13.

HST is confident that its project win rate will improve with the removal of uncertainty related to financing arrangements and we look forward to strengthening our relationships with our many long term clients and thank them for their ongoing support.

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.

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