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ASX Announcement

30 August 2013

ASX: DSB

Board of Directors

Gordon Galt – Chairman

Stephen Bizzaca – Managing
Director – CEO

Glyn Dawkins – Non Executive
Director

Geoffrey Garside – Non Executive
Director

Company Secretary

Tony McFadden

Principal Contact

Stephen Bizzaca – Managing
Director – CEO

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To : Australian Securities Exchange

Company Announcement

Please find attached ASX and media release for
results for the year ended 30 June 2013.

Yours Faithfully

Tony McFadden

Chief Financial Officer and Company Secretary

Delta SBD Limited – FY 2013 results announcement

Highlights:

- Revenue increased by 22% to \$145.1 million (2012: \$118.8 million);
- Underlying NPAT increased by 26% to \$8.0 million (2012: \$6.40 million);
- Solid safety performance with top quartile standing maintained. Proactive measures increased by 10% over the previous year;
- Growth delivered through new contracts, including:
 - New longwall surface build and underground installations at BMA's Broadmeadow mine, Vale's Integra mine, and Rio Tinto's Kestrel Mine Expansion
 - Longwall relocations at Whitehaven's Narrabri mine and Glencore's Blakefield mine
- Undertook a record fourteen longwall projects in the financial year and successfully completed our 100th longwall project
- Final dividend of 1.8 cents per share payable 26 September 2013. Total dividend for FY13 of 3.6 cents per share (2012:4cps) fully franked.

Financial Summary

<i>\$m</i>	2013	2012	% Change
Revenue	145.1	118.8	22%
EBITDA	16.6	12.5	32%
Net profit after tax	7.10	6.19	14%
Underlying EBITDA	18.0	12.8	41%
Underlying net profit after tax	8.0	6.4	26%

Financial Results

Delta SBD today announces the results of operations for the 2013 financial year. The company achieved significant growth in all areas in FY13, and has delivered a record underlying net profit after tax (NPAT) result of \$8.0 million, representing earnings of 17.8 cents per share, up 23% year on year. Statutory NPAT for the year was \$7.1 million.

The NPAT was earned on Revenue of \$145.1 million, up 22% on the previous corresponding period. Underlying earnings before interest tax and depreciation (EBITDA) were \$18.0 million, an increase of 41% on the previous year.

The company ended the financial year with a strong balance sheet with cash, cash equivalent and non current security deposits on hand at the end of the financial year of \$7.6 million (2012: \$7.1 million) and an improved net debt position of \$17.5 million (2012: \$18.8 million).

Dividend and Dividend Reinvestment Plan

Directors have declared a final dividend of 1.8 cents per share fully franked, payable on 26 September, 2013 with a record date of 16 September, 2013. This will bring the overall dividend for FY13 to 3.6 cents per share, fully franked, inclusive of the 1.8 cents per share interim dividend which was paid in April 2013. The dividend reinvestment plan is applicable to the final dividend.

Operational Review

During the period the Group's ongoing work included:

- Whole of mine operations at Boral's Berrima coal mine
- Roadwork development (two units), secondary support, drill and blast activities and outbye service at Illawarra Coal's Appin mine
- Secondary support and outbye services at Peabody's Metropolitan mine

The Group executed recurring project work, including:

- Longwall moves at Glencore's Ravensworth and Ulan mines, Peabody's Wambo mine and Anglocoal's Grasstree mine,
- Longwall salvages at BMA's Broadmeadow mine and at Vale's Integra mine
- Conveyor civil works at Illawarra Coal's Appin mine

The longwall move hire fleet was expanded and utilisation of the expanded fleet was maintained at 59%.

Delta SBD remains the premier contractor for longwall moves in Australia having now completed over one hundred and five longwall projects over the past 15 years and a record fourteen projects in the 2013 financial year.

During the year, Delta SBD was appointed as sole agent in Australia and New Zealand for grid mesh manufactured by ADFORS Saint-Gobain. ADFORS mesh is used in over 60% of longwall salvages in the USA and will enhance the company's ability to increase its longwall services capability.

Commenting on the financial results, Managing Director and CEO of Delta SBD, Mr Steve Bizzaca, said: "We are very proud of all our employees again this year. Through their efforts we maintained our excellent overall safety performance even as total hours worked increased by 15% and we delivered a very good financial result in what has become an extremely challenging environment for companies servicing the resources sector. Our record revenue and profitability results were underpinned by new contract awards and our 'fit for purpose' equipment fleet. A major highlight for the year was the completion of our 100th longwall move, which is a testament to the longevity and technical proficiency of our company."

Referring to the outlook for the Company, Mr Bizzaca added "Current market conditions are challenging and are likely to remain so in FY14, with pressure continuing on mining companies to lower costs in the face of lower coal prices. We do expect that coal prices will improve during FY14, especially from the coking coal producers which are our main clients, but we believe that it is likely that the record revenue result achieved by the Group in FY13 will still be impacted. Steps have therefore been implemented to reduce Group costs while maintaining our client 'value adding' proposition as attractive and competitive."

Mr Bizzaca concluded by saying "Notwithstanding the pressure on the sector, the Company's current workbook (excluding non-contractual recurring work) for the next two years remains positive at \$124 million, with the FY14 portion of this workbook at \$62 million. Activity in our tender pipeline is increasing, with \$73 million active enquiries and a further \$142 million of enquiries expected in the short term."

For further information, please contact:

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