

LogiCamms Limited

ABN 90 127 897 689

ASX Listing Rule 4.2A.3 Appendix 4D Statement For the Half Year Ended 31 December 2013

Current Reporting Period: Half Year ending 31 December 2013
Previous Corresponding Period: Half Year ending 31 December 2012

The information in this report should be read in conjunction with the most recent ASX announcements.

Results for announcement to the market

	31 December 2013 \$'000	31 December 2012 \$'000	Change
Revenue from ordinary activities	67,344	65,202	+3.29%
Profit from ordinary activities after tax attributable to members	2,095	5,626	-62.76%
Net profit for the period attributable to members	2,095	5,626	-62.76%
Earnings per share:			
Basic earnings per share (AUD cents per share)	3.0	8.5	
Diluted earnings per share (AUD cents per share)	2.9	8.3	

Dividends

An interim fully franked dividend of 1.5 cents per share has been declared.

Date dividend was declared	27 February 2014
Record Date	13 March 2014
Payment date	27 March 2014

Total dividends paid or payable on all securities

Ordinary securities – interim dividend

Current period payable \$'000	Previous period paid \$'000
1,424	3,315

Net tangible assets per security

Net tangible assets per security

Current period	Previous period*
35.2 cents	51.1 cents

*Note: The variance between current period and previous period (being 31 December 2012) is largely attributable to the acquisition by the Company of Independent Technology Holdings Limited on 21 May 2013, with the consideration paid including the issue of 3,306,225 shares at the time of acquisition. Accordingly, net tangible assets per security as at 30 June 2013 of 36.4 cents reflected this transaction.

Entities over which control has been gained or lost during the period

There are no entities over which control has been gained or lost during the period.

Details of investment in joint venture

Name of Entity	Ownership interest		Contribution to net profit	
	Dec 2013 %	Dec 2012 %	Dec 2013 \$'000	Dec 2012 \$'000
LogiCamms – Electro80 joint venture	50%	50%	173	311

LogiCamms Limited
ABN 90 127 897 689

Interim Financial Report
31 December 2013

Contents

	<i>Page</i>
Directors' report	3
Lead auditor's independence declaration	5
Condensed consolidated statement of financial position	6
Condensed consolidated statement of comprehensive income	7
Condensed consolidated statement of changes in equity	8
Condensed consolidated statement of cash flows	9
Condensed notes to the consolidated financial statements	10
Directors' declaration	13
Independent auditor's report on review of condensed consolidated interim financial report	14

LogiCamms Limited

Directors' report

For the period ended 31 December 2013

Your directors present their report together with the consolidated interim financial report on LogiCamms Limited ("the Company") and its controlled entities ("the Group") for the half-year ended 31 December 2013.

The directors of the Company during the whole of the half-year and up to the date of this report are:

Non-Executive

Mr Peter Watson

Mr Giles Everist

Mr Damian Young

Mr Peter Wall

Executive

Mr Steve Banning

The name of the company secretary in office at any time during or since the end of the interim period is:

Mr Paul Bowker

Review of operations

The Group has continued to focus on its core business of providing consulting-based engineering services as well as expand its asset performance, training and competency assurance capabilities. The Group experienced growth in revenue attributable primarily to services into the hydrocarbons sector in particular, which has grown from around 30% of Group revenue in 2013 to in excess of 50% in the current interim period. However, the market for engineering services has continued to experience pressures reflected in reduced volumes of work and also downward pressure on margins, particularly in minerals and metals markets. These market conditions have resulted in limited revenue growth and profitability.

The financial results for the half-year ended 31 December 2013 compared to the previous corresponding period are as follows:

- Revenue of \$67.3m, up 3%
- Profit before tax of \$2.2m, down 69%
- Profit after tax of \$2.1m, down 63%

The increase in revenue for professional services primarily reflects the increase in personnel numbers since that period (from 503 to approximately 650) primarily attributable to the acquisition of the New Zealand-based business, ITL Engineering, in May 2013.

The decrease in profit was largely a result of downward pressure on Australian minerals and metals work volumes and margins for engineering services, the Group's continued focus on strategic investment in capabilities for future growth, repositioning and refocusing the allocation of resources to ensure that the business aligns its capability with market needs and continues to operate efficiently and competitively over the longer term and position for future growth.

Earnings before interest, tax, depreciation and amortisation (EBITDA¹) was \$3.0m at a margin of 4.5%, which was below the EBITDA of \$7.5m at 11.4% margin achieved in the previous corresponding period.

Basic earnings per share is 3.0 cents, down from 8.5 cents for the previous corresponding period.

¹ The above reference to EBITDA is unaudited and unreviewed, however it is based on amounts extracted from the reviewed financial statements and reconciles to the profit before and after income tax as reported in the Condensed Consolidated Income Statement on page 7 as follows.

	31 Dec 2013	31 Dec 2012
Net Profit Before Tax	\$2.2m	\$7.3m
Net finance income	(\$0.1m)	(\$0.2m)
Depreciation	<u>\$0.9m</u>	<u>\$0.4m</u>
EBITDA	\$3.0m	\$7.5m

This presentation of EBITDA is intended to provide a measure of the Group's performance before the impact of non-cash expense items such as depreciation and net finance income.

LogiCamms Limited

Directors' report

For the period ended 31 December 2013

Review of operations (continued)

Net cash from operating activities for the interim period was \$3.3m compared to \$10.8m for the previous corresponding period. The lower net cash from operations resulted from reduced work volumes and margins in the business. Despite this, the Group retained a strong cash balance of \$9.2m as at 31 December 2013.

The Group continued its investment in people, systems, processes and market development activities in line with its strategic plan and in pursuit of its vision to be a market leader delivering outstanding customer solutions.

The Group continues to work with leading owners and operators of hydrocarbons, minerals and metals and infrastructure assets, and continuously works to reduce costs, increase efficiencies, and enhance the value of customers' operations. The Group's core business is consulting-based engineering and asset performance services, with other services including project delivery, asset performance, training and competency assurance.

Lead auditor's independence declaration

The auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out on page 5 and forms part of the Directors' report for the half-year ended 31 December 2013.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in this condensed interim financial report and the directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Signed in accordance with a resolution of the directors:



Peter Watson
Chairman

Dated at Brisbane, Queensland this 27th day of February 2014.



Auditor's Independence Declaration

As lead auditor for the review of LogiCamms Limited for the half year ended 31 December 2013, I declare that to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- b) no contraventions of any applicable code of professional conduct in relation to the review.

This declaration is in respect of LogiCamms Limited and the entities it controlled during the period.

A handwritten signature in black ink, appearing to read 'Michael Shewan', with a long horizontal flourish extending to the right.

Michael Shewan
Partner
PricewaterhouseCoopers

Brisbane
27 February 2014

LogiCamms Limited
Condensed consolidated statement of financial position
As at 31 December 2013

In thousands of AUD

	Note	31 Dec 2013	30 Jun 2013
Assets			
Cash and cash equivalents		9,206	13,124
Trade and other receivables		31,028	31,404
Current tax receivable		710	-
Total current assets		40,944	44,528
Investments in equity accounted investees		495	376
Property, plant and equipment		4,492	4,783
Deferred tax assets		2,046	1,413
Intangible assets	10	54,508	52,335
Total non-current assets		61,541	58,907
Total assets		102,485	103,435
Liabilities			
Trade and other payables		8,601	9,323
Loans and borrowings		23	26
Employee benefits		5,199	5,755
Current tax payable		1,856	3,139
Provisions		175	201
Deferred income		82	90
Total current liabilities		15,936	18,534
Trade and other payables		5,768	5,648
Employee benefits		1,157	1,009
Total non-current liabilities		6,925	6,657
Total liabilities		22,861	25,191
Net assets		79,624	78,244
Equity			
Share capital		54,901	54,871
Reserves		1,830	143
Retained earnings		22,893	23,230
Total equity		79,624	78,244

The condensed notes on pages 10 to 12 are an integral part of these consolidated interim financial statements.

LogiCamms Limited
Condensed consolidated statement of comprehensive income
For the six months ended 31 December 2013

		31 Dec 2013	31 Dec 2012
<i>In thousands of AUD</i>	Note		
Revenue	7	67,344	65,202
Cost of sales		(41,635)	(39,196)
Gross profit		25,709	26,006
Other income		47	21
Business development expenses		(1,749)	(1,866)
Other expenses		(22,044)	(17,460)
Results from operating activities		1,963	6,701
Finance income		143	240
Finance expenses		(47)	(1)
Net finance income		96	239
Share of profit of equity accounted investee		173	311
Profit before income tax		2,232	7,251
Income tax expense	9	(137)	(1,625)
Profit for the period		2,095	5,626
Other comprehensive income			
Items that may be reclassified to profit and loss			
Exchange rate differences on translation of foreign operation		1,687	-
Total comprehensive income for the period attributable to the Owners of the company		3,782	5,626
Earnings per share:			
Basic earnings per share (cents per share AUD)		3.0	8.5
Diluted earnings per share (cents per share AUD)		2.9	8.3

The condensed notes on pages 10 to 12 are an integral part of these consolidated interim financial statements.

LogiCamms Limited
Condensed consolidated statement of changes in equity
For the six months ended 31 December 2013

In thousands of AUD

	Note	Share capital	Translation reserve	Retained earnings	Total Equity
Balance at 1 July 2013		54,871	143	23,230	78,244
Total comprehensive income for the period					
Profit or loss		-	-	2,095	2,095
Other comprehensive income		-	1,687	-	1,687
Total comprehensive income for the period		-	1,687	2,095	3,782
Transactions with owners, recorded directly in equity					
Issue of ordinary shares		30	-	-	30
Shares bought back		-	-	-	-
Treasury shares		-	-	-	-
Dividends to equity holders	8	-	-	(3,147)	(3,147)
Share-based payment transactions		-	-	715	715
Total transactions with owners		30	-	(2,432)	(2,402)
Balance at 31 December 2013		54,901	1,830	22,893	79,624

For the six months ended 31 December 2012

In thousands of AUD

		Share capital	Translation reserve	Retained earnings	Total Equity
Balance at 1 July 2012		51,152	-	17,494	68,646
Total comprehensive income for the period					
Profit or loss		-	-	5,626	5,626
Other comprehensive income		-	-	-	-
Total comprehensive income for the period		-	-	5,626	5,626
Transactions with owners, recorded directly in equity					
Issue of ordinary shares		-	-	-	-
Shares bought back		(66)	-	-	(66)
Treasury shares		(673)	-	-	(673)
Dividends to equity holders	8	-	-	(3,315)	(3,315)
Share-based payment transactions		-	-	482	482
Total transactions with owners		(739)	-	(2,833)	(3,572)
Balance at 31 December 2012		50,413	-	20,287	70,700

The condensed notes on pages 10 to 12 are an integral part of these consolidated interim financial statements.

LogiCamms Limited
Condensed consolidated statement of cash flows
For the period ended 31 December 2013

In thousands of AUD

	Note	31 Dec 2013	31 Dec 2012
Cash flows from operating activities			
Cash receipts from customers		69,438	71,683
Cash paid to suppliers and employees		(66,139)	(60,928)
Cash generated from operations		3,299	10,755
Interest paid		(47)	(1)
Income taxes paid		(2,763)	-
Net cash from operating activities		489	10,754
Cash flows from investing activities			
Interest received		143	240
Proceeds from sale of property, plant and equipment		13	1
Acquisition of intangible assets	10	(1,166)	-
Acquisition of property, plant and equipment		(331)	(965)
Acquisition of a business		-	(100)
Net cash used in investing activities		(1,341)	(824)
Cash flows from financing activities			
Proceeds from issue of share capital		30	-
Repayment of investment in joint venture		54	-
Acquisition of treasury shares		-	(673)
Shares bought back		-	(66)
Repayment of borrowings		(3)	(2)
Dividends paid	8	(3,147)	(3,315)
Net cash used in financing activities		(3,066)	(4,056)
Net increase / (decrease) in cash and cash equivalents		(3,918)	5,874
Cash and cash equivalents at 1 July		13,124	16,430
Cash and cash equivalents at 31 December		9,206	22,304

The condensed notes on pages 10 to 12 are an integral part of these consolidated interim financial statements.

LogiCamms Limited

Condensed notes to the consolidated financial statements

1. Reporting entity

LogiCamms Limited (the "Company") is a company domiciled in Australia. The condensed consolidated interim financial report of the Company as at and for the six months ended 31 December 2013 comprises the Company and its subsidiaries (together referred to as the "Group") and the Group's interest in associates and jointly controlled entities.

The consolidated annual financial report of the Group as at and for the year ended 30 June 2013 is available upon request from the Company's registered office at 433 Boundary Street, Spring Hill, Queensland 4051, or at the Company's website: www.logicamms.com.au.

2. Statement of compliance

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 Interim Financial Reporting and the Corporations Act 2001.

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2013 and any public announcements made by the Company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

This consolidated interim financial report was approved by the Board of Directors on 27 February 2014.

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with the Class Order, amounts in the financial report have been rounded off to the nearest thousand dollars, unless otherwise stated.

3. Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

In preparing this consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2013.

4. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, except as set out below:

(a) Changes in accounting policy

The Group changed its accounting policies as the result of changes to accounting standards AASB 10 *Consolidated Financial Statements* and AASB 11 *Joint Arrangements* which became effective for the annual reporting period commencing on 1 July 2013.

(i) Principles of consolidation – subsidiaries and joint arrangements

AASB 10 was issued in August 2011 and replaces the guidance on control and consolidation in AASB 127 *Consolidated and Separate Financial Statements* and in Interpretation 112 *Consolidation – Special Purpose Entities*. Under the new principles, the group controls an entity when the group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The group has reviewed its investments in other entities to assess whether the consolidation conclusion in relation to these entities is different under AASB 10 than under AASB 127. No differences were found and therefore no adjustments to any of the carrying amounts in the financial statements are required as a result of the adoption of AASB 10.

Under AASB 11 investments in joint arrangements are classified as either joint operations or joint ventures depending on the contractual rights and obligations each investor has, rather than the legal structure of the joint arrangement. The Group has assessed the nature of its joint arrangements and determined that it only has a joint venture. The accounting for the group's joint venture has not changed as a result of the adoption of AASB 11. The group continues to equity account for joint ventures. These have been incorporated in the financial statements under the appropriate headings.

LogiCamms Limited

Condensed notes to the consolidated financial statements

5. Financial risk management

The Group's financial risk management objectives and policies are consistent with that disclosed in the consolidated financial report as at and for the year ended 30 June 2013.

6. Subsequent events

No subsequent event has been detected since the end of the interim period that will materially impact this financial report.

7. Segment reporting

The results and financial position of the Group's single operating segment, being engineering services, are prepared for the Managing Director on bases consistent with Australian Accounting Standards, and thus no additional disclosures in relation to the revenues, profit or loss, assets and liabilities and other material items have been made. The Company is domiciled in Australia, with operations located across Australia and in New Zealand.

Revenue and non-current assets are attributed to the above regions based on the revenue earned and non-current assets owned by the subsidiaries domiciled in each region and are as follows:

In thousands of AUD

Revenue

Australia

New Zealand

31 Dec 2013	31 Dec 2012
52,821	65,202
14,523	-
67,344	65,202

In thousands of AUD

Non-current assets excluding deferred tax assets

Australia

New Zealand

31 Dec 2013	30 June 2013
58,584	56,511
911	983
59,495	57,494

Revenue from one customer of the Group represents \$6,700,075 (2012: \$6,004,324) of the Group's total revenues for the period ended 31 December 2013.

8. Dividends

The following dividends were declared and paid by the Group during the half-year:

In thousands of AUD

25 September 2013: \$0.045 per ordinary share fully franked

26 September 2012: \$0.050 per ordinary share fully franked

31 Dec 2013	31 Dec 2012
3,147	-
-	3,315
3,147	3,315

LogiCamms Limited

Condensed notes to the consolidated interim financial statements

9. Income tax expense

Income tax expense is recognised based on management's best estimate of the weighted average annual income tax rate expected for the full financial year applied to the pre-tax income of the interim period. The Group's estimated consolidated effective tax rate for the six months ended 31 December 2013 was 6% (six months ended 31 December 2012: 22%).

Numerical reconciliation between tax expense and pre-tax accounting profit

<i>In thousands of AUD</i>	31 Dec 2013	31 Dec 2012
Profit for the period	2,095	5,626
Total income tax expense	137	1,625
Profit before income tax	2,232	7,251
Income tax using the Company's domestic tax rate of 30%	670	2,175
Tax incentives – current financial period	(500)	(522)
Effect of tax rates in foreign jurisdictions	(43)	-
Previous financial year adjustment	177	141
Non-deductible expenses	36	36
Tax offsets	(181)	(115)
Other	(22)	(90)
Total income tax expense	137	1,625

The difference between the actual income tax expense and the income tax expense using the Company's domestic rate of 30% is mainly attributable to research and development tax incentives. The Company has recognised an accrual for potential research and development tax incentives for the current interim period. This estimate was based on an assessment of costs incurred during the interim period associated with projects that were eligible for the tax concession in the previous financial year and adding a conservative estimate of new projects that are expected to be eligible.

10. Intangible assets

<i>In thousands of AUD</i>	Goodwill	Systems & Software	Total
Carrying amount at 1 July 2013	50,712	1,623	52,335
Additions	-	1,166	1,166
Effect of exchange rate movements	1,327	-	1,327
Amortisation	-	(320)	(320)
Carrying amount at 31 December 2013	52,039	2,469	54,508
Carrying amount at 1 July 2012	36,173	-	36,173
Additions	-	-	-
Effect of exchange rate movements	-	-	-
Amortisation	-	-	-
Carrying amount at 31 December 2012	36,173	-	36,173

LogiCamms Limited

Directors' declaration

In the opinion of the directors of LogiCamms Ltd ('the Company'):

- 1 the financial statements and notes set out on pages 6 to 12, are in accordance with the Corporations Act 2001 including:
 - (a) giving a true and fair view of the Group's financial position as at 31 December 2013 and of its performance for the six month period ended on that date; and
 - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:



Peter Watson
Chairman

Dated at Brisbane, Queensland this 27th day of February 2014.



Independent auditor's review report to the members of LogiCamms Limited

Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of LogiCamms Limited, which comprises the condensed consolidated statement of financial position as at 31 December 2013, the condensed consolidated statement of comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the half-year ended on that date, selected explanatory notes and the directors' declaration for LogiCamms Limited (the consolidated entity). The consolidated entity comprises the company and the entities it controlled during that half-year.

Directors' responsibility for the half-year financial report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Australian Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of LogiCamms Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

PricewaterhouseCoopers, ABN 52 780 433 757
Riverside Centre, 123 Eagle Street, BRISBANE QLD 4000, GPO Box 150, BRISBANE QLD 4001
T: +61 7 3257 5000, F: +61 7 3257 5999, www.pwc.com.au

Liability limited by a scheme approved under Professional Standards Legislation.



Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of LogiCamms Limited is not in accordance with the *Corporations Act 2001* including:

- a) giving a true and fair view of the entity's financial position as at 31 December 2013 and of its performance for the half-year ended on that date;
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

PricewaterhouseCoopers

PricewaterhouseCoopers

A handwritten signature in black ink, appearing to read 'Michael Shewan', with a long horizontal flourish extending to the right.

Michael Shewan
Partner

Brisbane
27 February 2014