

ASX Announcement

13 May 2016

Seymour Whyte Limited
ACN 105 493 20

SWL MARKET UPDATE

Diversified contractor, Seymour Whyte Limited (ASX: SWL) today reported that the previously forecast market guidance announced on 24 February 2016, has been updated.

Following the recent completion of monthly reviews, the FY16 net profit after tax (NPAT) is now anticipated to be in the range of \$1 million to \$2 million. A number of pressures continue to exist both across the sector and those that are unique to Seymour Whyte, which will have an impact on the annual NPAT result, including:

- a highly competitive tender environment in Queensland
- deferrals experienced in the timing of award of targeted projects
- effect of slower progress than originally forecast in some project locations due to wet weather and unforeseen difficulties in ground conditions
- a decline in final forecast margins on a small number of continuing projects in Queensland
- ongoing negotiations on a number of outstanding variations.

Further to previous advice about the Group's outstanding claims, negotiations are ongoing on one particular claim and therefore it is unlikely that there will be any potential upside arising from a resolution in the current financial year.

Mr John Kirkwood, Managing Director and Chief Executive Officer said a comprehensive program of work is underway to further improve efficiencies.

"We are identifying opportunities to regain profit across existing projects, enhance future profitability, and utilise our strengths for significant new developments across the Group."

"The Group is in a solid position to see through the short-term challenges that we are currently experiencing, recently securing \$52 million in new work from Roads and Maritime Services (RMS) with the recent award of the \$21 million Showground Road Upgrade and the public announcement by RMS as preferred contractor to build the \$31 million Nepean River Bridge, both located in western Sydney.

"We are also leveraging into the higher margins experienced in tunneling and utilities projects and are gaining traction with major water authority contracts."

The Group is progressing within the targeted airport sector as preferred tenderer for a project at Brisbane Airport, and continued scope growth and contracts awarded at Sydney Airport. The utilities business is also encouraged by five contract awards in the past three months including for new client, Unity Water.

Commenting on Group outlook John Kirkwood said he was continuing to see market stabilisation, and that the underlying strength of the business has meant continued work won by the Group.

"Recently awarded contracts will support the company as it endures a difficult period, and we are well positioned for the steady increase in opportunities in New South Wales and Victoria."

"We also have a number of larger project opportunities awaiting potential award within the next three months."

"I'm confident we can address the current challenges and continue to drive changes that improve outcomes for our clients and our shareholders."

Seymour Whyte's detailed financial results for the FY16 financial year will be released on or around 24 August 2016.

Further information: Nicola Padget, Chief Financial Officer, (07) 3340 4800, Nicola.Padget@seymourwhyte.com.au

Note to editors: Seymour Whyte Limited is an ASX listed company providing infrastructure services to the transport, utilities and resources sectors across Australia. Seymour Whyte Limited is the holding company of Seymour Whyte Constructions Pty Ltd and Rob Carr Pty Ltd.