



26th February 2015

**BSA LIMITED RESULTS ANNOUNCEMENT
FOR IMMEDIATE RELEASE**

ASX Company Announcements
Australian Securities Exchange Limited
PO Box H224
Australia Square
Sydney NSW 1215

BSA REPORTS \$6.7M EBITDA PROFIT FOR THE HALF YEAR AND ZERO NET DEBT

- Revenue up 7.1% to \$265.9 million (H1 2014: \$248.4 million);
- EBITDA profit of \$6.7 million (H1 2014: \$13.8 million loss);
- Net profit after tax of \$1.6 million (H1 2014: \$23.4 million loss);
- Successful \$21.3 million capital raising completed during the half;
- FY15 revenues on target for \$500 million;
- Zero net debt as at 31 December 2014;
- No interim dividend declared.

Sydney: 26th February 2015: Building and communication services company BSA Limited (ASX: BSA) today reported an EBITDA profit for the half year ended 31st December 2014 of \$6.7 million (H1 2014: \$13.8 million loss) along with net profit after tax of \$1.6 million (1H 2014: \$23.4 million loss). The Group reported an increase in first half revenues of 7.1% to \$265.9 million (1H 2014: \$248.4 million) and an increase in EBITDA of \$3.6m compared with H2 2014.

BSA's financial position has been significantly strengthened by a successful capital raising of \$21.3 million (net proceeds \$19.8m) and by improved working capital management. Funds have been applied to the repayment of debt and reduction of creditors during the period. The Group closed 31st December 2014 with zero net debt.

The Group has made substantial progress in resolving variation disputes on a number of key legacy contracts. Operational improvements continue and good progress has been made towards building a sustainable platform for growth.

BSA Managing Director and Chief Executive Officer, Nicholas Yates said today:

"We are pleased to announce improved results for BSA Limited for this half. BSA's enhanced financial position following the capital raising provides a good platform for future growth. We continue to have a strong forward construction order book and we increased our recurring revenue streams. The outlook for the second half is positive as a result of further implementation of improved contracting disciplines and continuing progress in resolving legacy contract issues."

Technical Design & Construction Projects (TDCP)

Excluding Corporate Recharges & Impairment

TDCP achieved revenue of \$126.3 million (H1 2014: \$123.8 million) and an EBITDA of \$7.5 million (H1 2014: \$13.3 million loss). TDCP contributed 47% of the Group's total revenue for the half. This business unit, which includes brands BSA, Allstaff Airconditioning and Triple 'M', is a major provider of heating, ventilation, air conditioning (HVAC) and fire protection services in Australia.



The new Royal Adelaide Hospital project still has a number of significant and as yet unapproved variations, which remain the subject of ongoing negotiations. The project is progressing well, and we continue to work constructively with our client to resolve the outstanding variations.

TDCP continues to have a healthy forward order book, and has been awarded a number of new projects within the half, with a total value of \$55.6 million including:

- 480 Queen Street, Brisbane, QLD
- Freemasons Epworth, VIC
- Highpoint Shopping Centre Level 1 Refurbishment, VIC
- National Capital Private Hospital, ACT
- University of Sydney Abercrombie Student Accommodation, NSW
- The Promenade, Morton Street, Parramatta, NSW

During the half TDCP improved performance through improving contracting disciplines, winning major new contracts and expanding Triple M Fire into Queensland. The business unit also resolved a number of legacy contract issues during the half.

Technical Field Force Solutions

Excluding Corporate Recharges & Impairment

Technical Field Force Solutions (TFFS) has performed well in the first half of FY2015, generating revenue of \$100.2 million (H1 2014: \$74.5 million) and EBITDA profit of \$2.1 million (H1 2014: \$1.8 million). The business unit's contribution to Group revenue increased to 38% and the team completed over 483,000 tickets of work within the half.

Key areas of focus for TFFS during the period included the on-boarding of additional field technicians across Australia to meet increased demand and delivering strong service levels for our customers.

During the half, the business unit also invested considerable time and resources into IT development resulting in improved operational efficiency.

BSA also continued, along with our legal representatives, to work constructively with the NSW Office of State Revenue to resolve the previously reported payroll tax dispute and ensure an equitable and timely conclusion to this matter. BSA maintained the \$2.0 million provision in the half year accounts. At this time there is no further information that would suggest this provision should be changed.

Technical Maintenance Services

Excluding Corporate Recharges & Impairment

Technical Maintenance Services (TMS) achieved revenue of \$39.5 million for the half (H1 2014: \$50.1 million). Lower revenues in the half reflected the large upgrade project included in the previous corresponding period and the reduced project volumes in the Western Australian market as a result of the resources slow down. TMS' EBITDA declined to \$0.3 million (H1 2014: \$1.0 million) as a result of the lower revenue and a number of one-off items (including restructure costs) that were incurred during the half. In the six month period to 31st December 2014, service and maintenance annuity income increased by \$1.5 million, compared to the prior corresponding period.

During the first half, TMS commenced a number of contracts, with a total value of \$9.6 million, including:

- Charles Sturt University
- CBRE
- Australian Nuclear Technology Organisation
- Mt Druitt Hospital
- Queensland Health



The business unit also expanded existing contracts with key clients including Harvey Norman, Brookfield and Sutherland Hospital during the first half.

Outlook

Management has now embedded operational improvements across the business in order to create a stable foundation for growth. A key second half focus will be on increasing margins and further improving working capital management within each business unit.

The market outlook for the sectors in which BSA operates appears to be stable or improving and there is a solid pipeline of opportunities in each business unit. This positive outlook is reflected in the healthy Technical Design & Construction Projects forward order book of \$217 million and the ongoing annuity based contracts of \$283 million per annum held by Technical Maintenance Services and Technical Field Force Solutions.

We reaffirm we are on target to achieve our full year revenue guidance of \$500 million.

- ENDS -

For and on behalf of the BSA Limited Board of Directors

Further information:

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