

# ASX RELEASE

22 December 2016

ASX Market Announcements  
20 Bridge Street  
SYDNEY NSW 2000

Dear Sir / Madam

**Market Update: Lowered profit guidance for 1H FY17, with anticipated FY17 profit unchanged**

In accordance with Listing Rule 3.1, Watpac Limited (**Watpac** or **Group**) provides the following earnings guidance for the 31 December 2016 half year (**1H**) and 30 June 2017 full year (**FY17**) reporting periods.

Based on the information currently available, the Board anticipates Watpac's 1H profit before tax to be breakeven. While substantially improved on the pre-tax loss recognised in the previous corresponding period of \$32.8M, this is lower than the underlying profit before tax result of \$8.7M reported for the same period.

The Board currently expects a first / second half upwards skew in the Construction segment, and consequently the FY17 profit before tax result is anticipated to remain broadly in line with the underlying profit before tax of \$8.5M recognised in the previous financial year.

The overall FY17 forecast is currently lower than targeted long-term average return levels due to the headwinds applicable to both the Construction and Mining & Civil businesses, in particular the prolonged cost escalation pressures in the Construction sector emanating from intense residential construction activity, particularly in South East Queensland.

Notwithstanding these factors, the current FY17 forecast assumes a positive contribution from both the Construction and Mining & Civil segments of the Group.

Watpac will continue to keep the market informed of any updates relating to either the 1H or FY17 profit result.

Yours sincerely,

WATPAC LIMITED



Mark Baker  
COMPANY SECRETARY

WATPAC LIMITED  
ABN 98 010 562 562

Level 1, 12 Commercial Road  
Newstead QLD 4006  
PO Box 2053  
Fortitude Valley QLD 4006

Phone 07 3251 6300  
Fax 07 3251 6393  
Web [www.watpac.com.au](http://www.watpac.com.au)

