

22 January 2013

QUARTERLY REPORT TO 31 DECEMBER 2012

- **Receipts from customers for the quarter of \$38.3 million (\$79.4m for the half year to 31 December 2012)**
- **Improved operating cash flow**
- **Strengthened cash position with no bank debt**
- **Awarded \$32 million Brockman 4 contract by Rio Tinto**
- **Nauru processing centre contract provides platform for further work in government construction sector**
- **Strong growth outlook with a mix of resources construction, government contracting and surveying and urban planning revenue streams**

OTOC Limited (ASX code: OTC) is pleased to report its quarterly cash flows for the three months ended 31 December 2012 in the attached Appendix 4C.

Cash receipts from customers during the quarter were \$38.3 million (September Quarter: \$41.1 million) and \$79.4 million for the half-year ended 31 December 2012. OTOC recorded net operating cash flow of \$4.8 million for the current quarter (September quarter: \$4.4 million outflow). The significant improvement in operating cash flow has resulted in a stronger balance sheet, with group cash of \$3.9 million at 31 December 2012 and no bank debt.

CONTRACT AWARDS

OTOC Australia was awarded two important contracts in the quarter:

- \$32 million contract with Rio Tinto for the installation of accommodation units at Brockman 4. OTOC has been involved with Brockman 4 and surrounding works since 2007. This contract award demonstrates OTOC's ongoing relationship with Rio Tinto and reputation for superior execution;
- Notice to Proceed for early works in relation to Stage 1 of the Nauru processing centre which will comprise a 900 person facility. The early works form part of a proposed \$22.7 million contract. OTOC was awarded this work due to its proven construction ability in remote locations and as the incumbent contractor, OTOC is ideally positioned to win further work at Nauru. This major civil works project provides a precedent for OTOC in the government construction sector.

STRONG GROWTH OUTLOOK

OTOC expects to deliver revenue of over \$80 million in second half FY2013.

OTOC Australia has a strong order book with its historical strength in civil construction in regional Western Australia supplemented by new Federal Government work on Nauru Island.

Whelans continues to perform to expectations providing a diversified, recurring earnings stream.

OTOC's CEO, Mr Adam Lamond said: "I am pleased to report solid financial performance in the first six months of FY2013. OTOC generated strong revenue and improved conversion to cash, allowing the group to retire all of its bank loan facilities.

OTOC has a strong order book and pipeline of work across resources construction, government contracting, surveying and urban planning, and is well positioned to capitalise on new business opportunities in each of these sectors".

About OTOC

OTOC Limited is a leading provider of resources and infrastructure services through its wholly owned operations OTOC Australia and Whelans.

Established in 2003, OTOC Australia specialises in the installation of mine site and remote area infrastructure for government, mining and oil and gas projects. OTOC Australia has a successful track record of delivering turnkey infrastructure solutions for blue-chip clients including BHP Billiton, Rio Tinto and FMG.

Whelans is a leading consultancy in the provision of surveying, mapping and town planning, with a focus on the resources sector. Whelans has 160 professional staff operating from offices in Perth, Karratha, Broome, Kununurra and Kalgoorlie.

www.otoclimited.com.au

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Appendix 4C

Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

OTOC Limited

ABN

80 122 958 178

Quarter ended ("current quarter")

31 December 2012

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (6 months) \$A'000
1.1 Receipts from customers	38,297	79,394
1.2 Payments for (a) staff costs	(12,085)	(28,505)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(21,218)	(50,138)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(212)	(400)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	4,782	351

+ See chapter 19 for defined terms.

Appendix 4C
Quarterly report for entities
admitted on the basis of commitments

	Current quarter \$A'000	Year to date (6 months) \$A'000
1.8 Net operating cash flows (carried forward)	4,782	351
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(460)	(1,217)
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	970
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	64	98
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (cash balance acquired from business acquisition)	-	-
Net investing cash flows	(396)	(149)
1.14 Total operating and investing cash flows	4,386	202
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	684
1.18 Repayment of borrowings	(910)	(1,380)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	(910)	(696)
Net increase (decrease) in cash held	3,476	(494)
1.21 Cash at beginning of quarter/year to date	444	4,414
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	3,920	3,920

+ See chapter 19 for defined terms.

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(127)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Executive and non-executive Director remuneration.

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

n/a

2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

n/a

Financing facilities available

Add notes as necessary for an understanding of the position.

		Amount available \$A'000	Amount used \$A'000
3.1	Loan facilities	-	-
3.2	Credit standby arrangements	6,988	5,666

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Reconciliation of cash

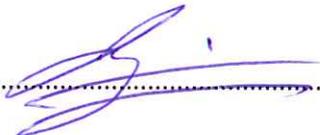
Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
4.1 Cash on hand and at bank	3,920	444
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	3,920	444

Acquisitions and disposals of business entities

	Acquisitions <i>(Item 1.9(a))</i>	Disposals <i>(Item 1.10(a))</i>
5.1 Name of entity		
5.2 Place of incorporation or registration		
5.3 Consideration for acquisition or disposal		
5.4 Total net assets		
5.5 Nature of business		

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here: 

Date: 22 January 2013

Print name: Brian Mangano - Chief Financial Officer

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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