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30 October 2014

ASX RELEASE

Chief Executive Officer First Quarter FY2015 Update

The Group Quarterly result for Site is reflective of continued sound performance from Site Skills Training and the successful integration of recent acquisitions.

Site has recorded unaudited Quarterly revenue of over AUD \$10M with an indicative EBITDA of over AUD \$700K. The difference between the EBITDA and the cash outflow from operations of \$1.5M is due to a build of quality receivables most of which were received in October subsequent to the reporting quarter.

The notes below provide an update on key areas of the business including growth expectations for the remainder of Financial Year 2015:

Productivity Partners (Captain Cook Colleges & Site Institute)

Productivity Partners has achieved substantial growth and integration goals in the first quarter. These milestones include:

- Successfully deployed second market facing brand, Site Institute
- Integration of Finance, Marketing and HR functions.
- Development of a substantially more robust internal sales division under the leadership of an experienced National Sales Manager and experienced sales executives.
- Opening of 3 new training facilities

The recent addition of the following facilities is expected to show a positive impact on earnings from early 2015:

- Ground Level, Level 2 and Level 3, 488 Queen Street, Brisbane QLD
Campus style facility – balcony with river/bridge views and 13 classrooms
- 1-5 Nestor Drive, Meadowbrook (Logan) QLD
Diploma Programs & High risk training facility with 8 Classrooms
- 90 Kittyhawk Drive, Chermside Shopping Centre, Brisbane
Space to meet increased capacity requirements for Distance Learning Team.
- Level 3, 72 Goondoon Street, Gladstone
Programs including Diploma of Business, Management & Project Management.

Further locations are expected to be delivered by the Third Quarter FY15 in Perth, Brisbane and Central Queensland.

The addition of new locations has been coupled with growth in our Distance Learning Programs and the enhancement of systems to facilitate this growth in an efficient manner.

Competent Project Management and Romea Training (SGI Energy Division)

These brands are being consolidated to create Site Group International Energy Division (SGI Energy Division) under the leadership of Technical Director, Phil Costelloe.

Recent developments include the commissioning of the Live Process Plant for the Technician Development Program in partnership with Uniteam in Myanmar and the extension of a key contract in Malaysia. SGI Energy Division is targeting the rollout of at least two plants in Calendar Year 2015 which will significantly increase presence and capability in the Asia-Pacific region.

Additionally work is continuing to develop a solution in partnership with industry to meet expected demand in the production phase of Australian gas projects as construction phase winds down over the next few years.

The SGI Energy Division is well placed to capitalise on its unique capability in Technician Development, Competency Assurance, Training Centre Management, Process Plant Engineering and apprenticeships for the Australian Oil & Gas Market.

Site Skills Training

Site Skills Training continues to service a broad range of clients in industries including construction, mining, logistics and energy. Notable recent developments include the deployment of a new transactional website which should encourage online payment. In addition Site Skills Training has launched two Online Learning Programs and has another three expected to be delivered in Q2.

With over 10,000 students coming through Site Skills Training Domestic Facilities each year for short courses, management is confident it will be able to implement cross selling strategies for business units including Site Institute & SGI Energy Division.

Management remain focussed on improving the operating margin delivered by Site Skills Training through initiatives such as digital learning resources and revised pricing models.

International Operations

Site Skills Training continues to expand internationally with recent projects in Malaysia, Myanmar, PNG, Singapore and Philippines. There has also been interest from the Middle East, Bangladesh, Indonesia, Laos, Mongolia, Timor Leste and Vietnam for a range of training programs. At the Clark Campus, Philippines, Site Skills Training recently recorded a significant milestone of 10,000 enrolments for the SPEX Malampaya project which will continue to at least Q1, 2015. Over 400 workers for the energy industry destined for Timor Leste were also trained. Clark Campus has also commenced another long term course for disadvantaged young adults in electrical training, building on the success of recent similar programs. The focus on high impact training for selected industries has allowed growth in training programs, with a focus in delivery methods expected to deliver improving margins.

Tesol Asia Group has increased delivery of Tesol certificate courses and developed new digital products that can service the East Asian region to further grow revenue and improve operating margins.

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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

Site Group International Limited

ABN

73 003 201 910

Quarter ended ("current quarter")

30 September 2014

Consolidated statement of cash flows

| Cash flows related to operating activities | Current Quarter \$A'000 | Year to date (3 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1.01 Receipts from customers | 8,007 | 8,007 |
| 1.02 Payments for (a)staff costs | (2,525) | (2,525) |
| (b)advertising and marketing | (169) | (169) |
| (c)research and development | | |
| (d)leased assets | (5) | (5) |
| (e)other working capital | (6,679) | (6,679) |
| 1.03 Dividends received | - | - |
| 1.04 Interest and other items of a similar nature received | 10 | 10 |
| 1.05 Interest and other costs of finance paid | (5) | (5) |
| 1.06 Income taxes paid | (101) | (101) |
| 1.07 Other (provide details if material) | - | - |
| Net operating cash flows | (1,467) | (1,467) |

+ 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 (3 months) \$A'000 |
|--|----------------------------|---------------------------------------|
| 1.08 Net operating cash flows (carried forward) | (1,467) | (1,467) |
| Cash flows related to investing activities | | |
| 1.09 Payment for acquisition of: | | |
| (a) businesses (item 5) | (229) | (229) |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | (337) | (337) |
| (e) other non-current assets | - | - |
| 1.10 Proceeds from disposal of: | | |
| (a) businesses (item 5) | - | - |
| (b) equity investments | - | - |
| (c) intellectual property | - | - |
| (d) physical non-current assets | - | - |
| (e) other non-current assets | - | - |
| 1.11 Loans to other entities | - | - |
| 1.12 Loans repaid by other entities | - | - |
| 1.13 Other (Cash securing bank guarantees) | (259) | (259) |
| Net investing cash flows | (825) | (825) |
| 1.14 Total operating and investing cash flows | (2,292) | (2,292) |
| 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 (includes convertible notes) | - | - |
| 1.18 Repayment of borrowings | - | - |
| 1.19 Dividends paid | - | - |
| 1.20 Other (Transaction costs on shares issued) | (16) | (16) |
| Net financing cash flows | (16) | (16) |
| Net increase (decrease) in cash held | (2,308) | (2,308) |
| 1.21 Cash at beginning of quarter/year to date | 3,143 | 3,143 |
| 1.22 Exchange rate adjustments to item 1.20 | 22 | 22 |
| 1.23 Cash at end of quarter | 857 | 857 |

+ 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 1.02 | 106 |
| 1.25 | Aggregate amount of loans to the parties included in item 1.11 | - |

1.26 Explanation necessary for an understanding of the transactions

The payments at 1.24 are for management fees and directors fees.

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 | 4,000 | - |
| 3.2 | Credit standby arrangements | - | - |

+ See chapter 19 for defined terms.

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

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 | 857 | 3,143 |
| 4.2 Deposits at call | - | - |
| 4.3 Bank overdraft | - | - |
| 4.4 Other (provide details) | - | - |
| Total: cash at end of quarter (item 1.23) | 857 | 3,143 |

Acquisitions and disposals of business entities

| | Acquisitions (Item 1.9(a)) | Disposals (Item 1.10(a)) |
|---|-------------------------------|-----------------------------|
| 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 ~~not~~* (*delete one*) give a true and fair view of the matters disclosed.

Sign here:  Date:30 October 2014.....
 (Director/Company secretary)

Print name:Vernon Wills.....

Notes

+ See chapter 19 for defined terms.

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.

+ See chapter 19 for defined terms.