



12 August 2015

ASX ANNOUNCEMENT

EASTERN TREATMENT PLANT DISPUTE RESOLVED AND FY15 GUIDANCE

Highlights

- Resolution of ETP dispute and contingent liability of \$51m
- One-off settlement sum of \$9.75m
- Expected Underlying FY15 NPBT of \$6m
- Expected FY15 NPBT of \$2.5m (after providing for ETP)

SRG Limited (**ASX:STS**) ("SRG") is pleased to announce that it has today resolved the Eastern Treatment Plant ("ETP") dispute including all liabilities and counterclaims relating to this project.

SRG has agreed to enter into a confidential settlement agreement with all parties including the Plaintiff (Melbourne Water) and all Defendants (Tenix, Aurecon and MWH) which resolves all claims, counter claims and potential claims on the matter against SRG and its subsidiaries.

As previously disclosed, the claim relates to works on the ETP project which commenced in 2007. Tenix subcontracted the Company's subsidiary, Structural Systems (Construction) Pty Ltd ("SSC"), to perform parts of the construction related to the project. The Company was also contracted as a sub-consultant to MWH Australia Pty Ltd ("MWH") to undertake the post-tensioning design works as part of MWH's overall design brief.

Under the settlement agreement, SRG has agreed to pay the sum of \$9.75m, part of which is offset by provisions and insurance coverage. This settlement sum is significantly less than the contingent liability of \$51m that was disclosed in the 2014 Annual Report.

SRG expects an underlying FY15 NPBT result of \$6m prior to allowing for ETP settlement. It is anticipated that the settlement will have a one-off / abnormal impact resulting in an adjusted FY15 NPBT result of \$2.5m.

The board is very pleased with the expected underlying FY15 NPBT of \$6m which is a significantly improved result despite challenging market conditions. The resolution of this long standing contingent liability is a significant achievement and the company is now well positioned to focus on the execution of its strategic growth plans.

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SRG Limited are an Australian complex services company. Our vision is to make the complex simple for our customers and our mission is to be a leading provider of complex services to the construction and mining industry worldwide.

Founded in Victoria in 1961, the Company commenced trading as BBR Australia Pty Ltd with the first project undertaken to supply and install rock anchors for the Snowy Mountains scheme. Listed in 1987 on the ASX as Structural Systems Limited, the organisation has grown from a small privately owned specialist post-tensioning company to a diverse international contractor in building, civil, mining, products and services. SRG has offices throughout Australia as well as in the Middle East and Hong Kong. In November 2014, Structural Systems Limited became SRG Limited.