

## ASX RELEASE

### LYCOPODIUM LIMITED 2015/16 RESULTS

26 August 2016

<b>Revenue</b>	:	<b>\$124.5 million</b>
<b>Profit Before Tax</b>	:	<b>\$5.22 million</b>
<b>Profit After Tax</b>	:	<b>\$3.33 million</b>
<b>Earnings Per Share</b>	:	<b>8 cents per share</b>
<b>Total Dividend</b>	:	<b>5.5 cents per share</b>

For the financial year ended 30 June 2016, Lycopodium derived revenues of \$124.5 million and a net profit after tax of \$3.33 million. This result includes an impairment charge of \$0.5 million to the value of the Process Industries business reflecting the soft market conditions in that sector.

In addition to the segment reporting format in the Appendix 4E report, we are also including our supplemental segment reporting format (on Page 3).

The Directors have resolved to pay a final dividend of 4 cents, which is in line with the dividend policy. The total dividend for the year is 5.5 cents fully franked.

Market conditions across the 2015/2016 financial year stabilised but continued to be challenging with uncertainty and poor forward visibility on future workload prevailing. This was particularly the case in the six months to December 2015. This period required us to continue the cost reduction and capacity downsizing efforts to match the market needs. Moving into the second half of the financial year we saw a slight but identifiable improvement in the mineral resources market and signs of improvement across some of the other market sectors we service. Through tight and focused management across all subsidiaries Lycopodium returned to profit and has been able to establish a trend of steady improvement in financial performance.

Our strategy and collaborative approach has seen us emerge from a period of significant uncertainty across most of our markets with first class teams, a sound financial position and a plan to tackle the challenges and achieve good outcomes in our selected markets. We continue to maintain and grow a world class capability in the provision of professional services for all phases of the project development cycle, through to enabling emerging and junior companies to achieve first production to delivering large projects for leading multi-national and mid-tier companies.

Our traditional markets remain tight and this will continue to translate into tight forecast margins.

In the Resources Sector, gold as well as several other emerging minerals have seen heightened activity. On the back of our track record in gold and mineral processing generally we are now active in the development phase of seven gold projects in Africa and one gold project in South America. In addition, we continue our work on the massive Cobré Panama Copper Project in Panama for First Quantum Minerals Limited, as well as being active on projects relating to diamonds, fluorspar, graphite and an assortment of other minerals. We are also working on a reasonable number of studies for a variety of minerals and metals including those already mentioned, as well as sulfate of potash (SOP) projects.

In the Infrastructure space we are seeing an improving level of activity in the Asset Management sector with opportunities presenting in local government and industry across Australia. Similarly we believe we are well positioned to participate to a greater extent in the high level of activity being seen in Eastern Australia in both transport (predominantly rail) and urban infrastructure related work.

Geographically we will remain active during the next year in Australia, Canada, South Africa, Philippines, Ghana, Côte D'Ivoire, Burkina Faso, Colombia, Namibia, Botswana, Mali and Senegal as well as undertaking study services related to a host of other localities.

On the back of the recent award of several material contracts including the Houndé Project (EPCM), Mako Project (EPC), Sissingué Project (EPC) and Natougou (EPCM) we have reasonably good visibility on the first half of the 2016/2017 financial year. The second half will see activity wind down on the Cobre Panama Project. Subject to favourable conditions there is the prospect of select projects continuing from study into execution phase which can provide a forward pipeline of work to somewhat offset this, however we currently have modest visibility into the second half.

At present the Company has adopted the view that there will be an increase to the Company's financial performance from this year with forecast revenue of \$200M and profit after tax of \$6M for 2016/17.

Lycopodium is extremely proud of the achievements of our personnel over the last year. As noted previously, the year was both challenging and testing for the broader organisation. The Board of Directors recognises that the demands placed on our personnel during this period have been high and acknowledges that the Company's ability to continue delivering world class services to our clients and to maintain and enhance the Company's performance and capability is dependent on the continued commitment and support of our personnel.

### **Dividend Entitlements**

The final dividend of 4 cents per share fully franked will be paid to shareholders on 14 October 2016, with a record date of 30 September 2016.

For further information:  
Peter De Leo  
Managing Director  
T: +61 8 6210 5222

**Lycopodium Ltd**  
**Segment reporting (unaudited)**  
**FYE 30 June 2016**

	<b>Segment revenues</b>		<b>Segment results</b>	
	<b>Jun-16</b>	<b>Jun-15</b>	<b>Jun-16</b>	<b>Jun-15</b>
EPCM	35,509,149	20,418,089	4,274,614	1,726,608
Design & construct (lump sum)	22,785,099	24,494,450	1,609,248	919,002
Study services	13,073,386	19,696,796	533,012	666,097
Project services	49,550,426	55,429,763	8,592,190	9,595,401
	<u>120,918,059</u>	<u>120,039,098</u>	<u>15,009,064</u>	<u>12,907,107</u>
Unallocated revenue	3,542,159	2,772,224	0	0
	<u>124,460,218</u>	<u>122,811,322</u>	<u>15,009,064</u>	<u>12,907,107</u>
Unallocated revenue less unallocated expenses			<b>(9,793,435)</b>	<b>(14,527,175)</b>
Profit before income tax expense			5,215,629	<b>(1,620,068)</b>
Income tax expense			<b>(1,889,219)</b>	604,655
Profit for the full-year			<u>3,326,410</u>	<u><b>(1,015,413)</b></u>