

24 February 2015

ASX Market Announcements
Australian Stock Exchange Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

Media Release on December 2014 Half Year Results

Attached please find a media release being issued in respect of the December 2014 half year reporting for Bisalloy Steel Group Ltd.

Regards



Malcolm Mitchell
Company Secretary

24 February 2015

ASX / Media Release

Half Year Financial Results to 31 December 2014 ("HY15")

Bisalloy's Earnings in Line with Guidance

- EBITDA of \$2.8m up 211% on last comparable half
- Profit after tax of \$1.0m up 315% on last comparable half
- Net debt of \$7.2m, down \$2.9m since 30 June 2014 with gearing now at 26%
- Reaffirmed Full Year EBITDA guidance of \$4.5m to \$5.0m
- Well placed to benefit from anticipated recovery in demand

	HY15 \$m	HY14 \$m	Change %
Revenue	\$28.7	\$28.3	+1.5%
EBITDA ⁽¹⁾	\$2.8	\$0.9	+211%
NPAT	\$1.0	(\$0.5)	+315%
EPS	1.9c	(1.3c)	+247%

(1) EBITDA includes gross contribution from the CJV before local taxes and finance charges

Bisalloy today reported EBITDA of \$2.8m for the six months (HY14 \$0.9m). The increase in earnings is in line with Bisalloy's guidance presented at the 2014 Annual General Meeting. The improvement is attributable to a lower operating cost base following the restructuring undertaken in the second half of FY14 and margin stability as pricing in the market has returned to more rational levels following a successful outcome of the Anti-Dumping action taken by the Company.

Operating cash flow for the period was \$3.4m (HY14 -\$0.1m), which was largely applied to reducing borrowings. Net debt at 31 December 2014 stood at \$7.2m (June 2014 \$10.1m) and gearing has been reduced to 26%. Inventory holdings were increased by \$3.5m in the half year, in order to support the Company's current sales strategies. Overall net working capital balances have been reduced.

Commenting on the result Managing Director, Robert Terpening said "Bisalloy is today seeing earnings improvements from having addressed issues that were impeding its performance in FY14. The Company is now well placed to further benefit from an improvement in its domestic market share and an increased contribution from export sales stimulated by the lower Australian dollar."

Mr Terpening added "the Group has now gone 641 days without a Lost Time Injury, an outcome of which all at Bisalloy are very proud".



Outlook

Having considered the Group's performance against the current market environment, the Board has reaffirmed its forecast for EBITDA to be between \$4.5m and \$5.0m for the 2015 financial year.

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Bisalloy is Australia's only manufacturer of high-strength structural, wear-resistant and armour steel plates using quenched and tempered steel. Bisplate is used in the mining, construction, general fabrication and defence sectors. Bisalloy has an extensive distribution network across Australasia Indonesia, Thailand and the People's Republic of China. See our website at www.bisalloy.com.au.