

## ASX RELEASE

### LYCPODIUM LIMITED 2012/13 RESULTS

23 August 2012

<b>Revenue</b>	<b>:</b>	<b>\$246 million, up 6% from 2012 result</b>
<b>Profit Before Tax</b>	<b>:</b>	<b>\$28.5 million, down 9% from 2012 result</b>
<b>Profit After Tax</b>	<b>:</b>	<b>\$22.5 million, up 1% from 2012 result</b>
<b>Earnings Per Share</b>	<b>:</b>	<b>57 cents per share, down 1% from 2012</b>
<b>Total Dividend</b>	<b>:</b>	<b>36 cents per share, up 9% from 2012</b>

The Directors of Lycopodium are pleased to be able to report a strong result for the 2012/13 financial year, replicating the prior year's record operating result

During the financial year ended 30 June 2013, Lycopodium realised revenues of \$246 million, a 6% increase on the \$232 million in the previous financial year. Net profit after tax was \$22.5 million, as compared to \$22.3 million in the previous financial year, a 1% increase. The minor reduction in margin reflects the tightening of market conditions being largely offset by the recovery of prior year tax losses and the full year's equity accounting of the profit component of our 50% owned Pilbara EPCM joint venture.

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

The Directors have resolved to pay a final dividend of 21 cents fully franked, reflecting the strong profit result. The total dividend for the year is 36 cents fully franked as compared to 33 cents in the prior year.

The result reflects the peak in construction and commissioning activities prevailing across the major projects and the strong demand for services across the group. Our minerals workload remains spread across a range of commodities, notably gold, iron ore, nickel and copper and includes both domestic and international projects.

However as previously advised, there are strong headwinds in our sector and the demand for Lycopodium's services in 2013/14 is anticipated to be lower than in the past two financial years.

The reduction in demand is attributable to the following dynamics:

- Lower commodity prices across a wider range of commodities, which now includes gold.
- Major mining companies belt tightening across their operations, optimising existing assets and limiting capital expenditure to brownfield optimisations rather than major greenfield project developments.
- Junior mining companies finding it difficult to raise equity for studies and projects.
- The manufacturing sector continuing its decline within Australia.
- Increasing competition between service providers, increasing appetite for risk, as well as lowering margin expectations.

Coupled with the dynamics above, our three major projects - Tropicana, Akyem and Marandoo - are nearing construction completion and commissioning activities are in progress. Whilst these have insulated Lycopodium through the past financial year, each of these projects will be completed in the first half of the current financial year. Equivalent greenfield EPCM opportunities have not yet been secured to replace these major projects, resulting in an anticipated shortfall in revenue opportunities.

On the positive side, we are extremely pleased to announce the award of detailed design services in relation to the processing plant and selected infrastructure for First Quantum Minerals' world class, Cobre Panama Project. This extends our long term association with First Quantum Minerals and represents our first project in the region.

We also note that the demand for technical services across our offices is showing some early signs of improvement. These improvements relate to operational efficiency and optimisation services, which in time should translate into brownfield EPCM opportunities.

At this point in time we have updated our guidance, but believe a range is more appropriate given the reduced visibility coming into this financial year. Our guidance for the 2013/14 financial year reflects revenues of \$140-170 million and a net profit after tax of \$11.4-13.8 million. We will continue to actively monitor our forecasts, particularly given the range in revenues and anticipated lower margins.

Lycopodium is extremely proud of the achievements of our personnel over the last year, particularly given the high levels of construction and commissioning activities at the various sites. The Board of Directors acknowledges that the company's ability to continue to deliver 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 21 cents per share fully franked will be paid to shareholders on 15 October 2013, with a record date of 2 October 2013.

For further information:  
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**Lycopodium Ltd**  
**Segment reporting (unaudited)**  
**FYE 29 JUNE 2013**

	Segment revenues		Segment results	
	Jun-13	Jun-12	Jun-13	Jun-12
EPCM	137,853,344	156,722,514	22,780,035	27,044,193
Design & construct (lump sum)	11,353,011	2,449,167	1,583,480	601,812
Study services	17,436,631	29,243,973	3,449,751	4,871,054
Project services	<u>77,350,868</u>	<u>40,462,773</u>	<u>12,957,699</u>	<u>6,665,292</u>
	243,993,853	228,878,426	40,770,965	39,182,351
Unallocated revenue	<u>1,946,239</u>	<u>3,408,556</u>	<u>0</u>	<u>0</u>
	245,940,092	232,286,982	40,770,965	39,182,351
Unallocated revenue less unallocated expenses			<u>(12,236,776)</u>	<u>(7,410,574)</u>
Profit before income tax expense			28,534,189	31,771,777
Income tax expense			<u>(5,993,750)</u>	<u>(9,416,678)</u>
Profit for the full-year			<u>22,540,439</u>	<u>22,355,099</u>

# **Lycopodium Limited and Controlled Entities**

ABN 83 098 556 159

## **Appendix 4E - Preliminary Final Report for the year ended 30 June 2013**

**Lycopodium Limited and Controlled Entities** ABN 83 098 556 159  
**Appendix 4E - Preliminary Final Report - 30 June 2013**

Lodged with the ASX under Listing Rule 4.3A.  
This information should be read in conjunction with the  
Annual financial report

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**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**For the year ended 30 June 2013**

**Results for announcement to the market**

				\$
<b>Revenue</b> from ordinary activities <i>(Appendix 4E item 2.1)</i>	Up	5.9%	to	245,940,092
<b>Profit</b> from ordinary activities after tax attributable to members <i>(Appendix 4E item 2.2)</i>	Up	0.8%	to	22,540,439
<b>Net profit</b> for the period attributable to members <i>(Appendix 4E item 2.3)</i>	Up	0.8%	to	22,540,439

	\$	\$
<b>Dividends / distributions</b> <i>(Appendix 4E item 2.4)</i>	Amount per security	Franked amount per security
Final dividend <i>(cents)</i>	21.0	21.0

<b>Key ratios</b>	<b>2013</b>	2012
	<b>June</b>	June
Basic earnings per share (cents)	<b>56.5</b>	57.3
Net tangible assets per shares (cents)	<b>159.8</b>	139.1

**Record date** for determining entitlements to the final dividends

2 October 2013

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Preliminary Statement of Comprehensive Income**  
**For the year ended 30 June 2013**

		<b>Consolidated</b>	
	Notes	2013 \$	2012 \$
Revenue from operations	3	<b>245,940,092</b>	232,286,982
Employee benefits expense		<b>(118,107,866)</b>	(111,944,909)
Depreciation and amortisation expense	4	<b>(2,192,104)</b>	(1,784,442)
Project expenses		<b>(9,748,777)</b>	(10,581,901)
Equipment and materials		<b>(5,665,636)</b>	(839,435)
Contractors		<b>(68,181,612)</b>	(58,881,655)
Administration and management costs		<b>(18,667,684)</b>	(16,431,351)
Loss on disposal of asset		<b>(235,536)</b>	(1,503)
Finance costs		<b>(232,023)</b>	(330,272)
Share of net profit of joint ventures accounted for using the equity method	10	<b>5,625,335</b>	280,263
<b>Profit before income tax</b>		<b>28,534,189</b>	31,771,777
Income tax expense	5	<b>(5,993,750)</b>	(9,416,678)
<b>Profit for the year</b>		<b>22,540,439</b>	22,355,099
<b>Other comprehensive income/(expense)</b>			
<i>Items that may be reclassified to profit or loss</i>			
Changes in the fair value of available-for-sale financial assets	6(a)	<b>(2,000)</b>	(23,000)
Exchange differences on translation of foreign operations	6(a)	<b>1,045,265</b>	(336,980)
Income tax relating to components of other comprehensive income		<b>600</b>	6,900
Other comprehensive income/(expense) for the year, net of tax		<b>1,043,865</b>	(353,080)
<b>Total comprehensive income for the year</b>		<b>23,584,304</b>	22,002,019
Profit for the year is attributable to:			
Owners of Lycopodium Limited		<b>21,931,946</b>	22,143,034
Non-controlling interests		<b>608,493</b>	212,065
		<b>22,540,439</b>	22,355,099
Total comprehensive income for the year is attributable to:			
Owners of Lycopodium Limited		<b>22,975,811</b>	21,789,954
Non-controlling interests		<b>608,493</b>	212,065
		<b>23,584,304</b>	22,002,019
		<b>Cents</b>	Cents
<b>Earnings per share for profit attributable to the ordinary equity holders of the company:</b>			
Basic earnings per share		<b>56.5</b>	57.3
Diluted earnings per share		<b>55.4</b>	56.0

*The above preliminary statement of comprehensive income should be read in conjunction with the accompanying notes.*

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Preliminary Balance Sheet**  
**As at 30 June 2013**

		<b>Consolidated</b>	
	Notes	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents		34,997,159	27,768,444
Trade and other receivables		53,254,129	52,590,370
Other current assets		4,549,506	3,547,988
<b>Total current assets</b>		<b>92,800,794</b>	<b>83,906,802</b>
<b>Non-current assets</b>			
Investments accounted for using the equity method	10	5,905,599	280,264
Available-for-sale financial assets		7,000	9,000
Property, plant and equipment		4,659,138	5,308,394
Intangible assets		7,163,778	6,113,748
Other receivables		1,050,335	1,233,835
Deferred tax assets		8,026,369	4,535,790
<b>Total non-current assets</b>		<b>26,812,219</b>	<b>17,481,031</b>
<b>Total assets</b>		<b>119,613,013</b>	<b>101,387,833</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables		44,657,595	34,158,533
Borrowings		1,763,637	1,622,503
Current tax liabilities		294,582	2,176,954
Provisions		1,297,956	1,097,956
<b>Total current liabilities</b>		<b>48,013,770</b>	<b>39,055,946</b>
<b>Non-current liabilities</b>			
Borrowings		1,012,359	1,535,136
Provisions		1,157,067	917,164
<b>Total non-current liabilities</b>		<b>2,169,426</b>	<b>2,452,300</b>
<b>Total liabilities</b>		<b>50,183,196</b>	<b>41,508,246</b>
<b>Net assets</b>		<b>69,429,817</b>	<b>59,879,587</b>
<b>EQUITY</b>			
Contributed equity		18,951,697	18,730,297
Reserves	6(a)	1,140,385	294,906
Retained profits	6(b)	48,639,753	40,689,644
Parent entity interest		68,731,835	59,714,847
Non-controlling interests	7	697,982	164,740
<b>Total equity</b>		<b>69,429,817</b>	<b>59,879,587</b>

*The above preliminary balance sheet should be read in conjunction with the accompanying notes.*



**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Preliminary Statement of Changes in Equity**  
**For the year ended 30 June 2013**

<b>Consolidated entity</b>	<b>Contributed equity</b> \$	<b>Retained profits</b> \$	<b>Foreign currency translation reserve</b> \$	<b>Available for sale investment revaluation reserve</b> \$	<b>Performance rights reserve</b> \$	<b>Non-controlling interests</b> \$	<b>Total equity</b> \$
<b>Balance at 1 July 2011</b>	18,730,297	30,916,243	(267,686)	(61,600)	418,604	(48,764)	49,687,094
Profit for the year	-	22,143,034	-	-	-	212,065	22,355,099
Other comprehensive income	-	-	(336,980)	(16,100)	-	-	(353,080)
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>22,143,034</b>	<b>(336,980)</b>	<b>(16,100)</b>	<b>-</b>	<b>212,065</b>	<b>22,002,019</b>
<b>Transactions with owners in their capacity as owners:</b>							
Non-controlling interests on acquisition of subsidiary	-	-	-	-	-	27	27
Foreign currency translation with non-controlling interest	-	-	-	-	-	1,412	1,412
Dividends provided for or paid	-	(12,369,633)	-	-	-	-	(12,369,633)
Performance rights - value of rights	-	-	-	-	558,668	-	558,668
	-	(12,369,633)	-	-	558,668	1,439	(11,809,526)
<b>Balance at 30 June 2012</b>	<b>18,730,297</b>	<b>40,689,644</b>	<b>(604,666)</b>	<b>(77,700)</b>	<b>977,272</b>	<b>164,740</b>	<b>59,879,587</b>
<b>Balance at 1 July 2012</b>	18,730,297	40,689,644	(604,666)	(77,700)	977,272	164,740	59,879,587
Profit for the year	-	21,931,946	-	-	-	608,493	22,540,439
Other comprehensive income	-	-	1,045,265	(1,400)	-	-	1,043,865
<b>Total comprehensive income for the year</b>	<b>-</b>	<b>21,931,946</b>	<b>1,045,265</b>	<b>(1,400)</b>	<b>-</b>	<b>608,493</b>	<b>23,584,304</b>
<b>Transactions with owners in their capacity as owners:</b>							
Contributions of equity, net of transaction costs and tax	221,400	-	-	-	-	-	221,400
Foreign currency translation with non-controlling interest	-	-	-	-	-	(75,251)	(75,251)
Dividends provided for or paid	-	(13,981,837)	-	-	-	-	(13,981,837)
Performance rights - value of rights	-	-	-	-	23,014	-	23,014
Performance rights - transfer on exercise	-	-	-	-	(221,400)	-	(221,400)
	221,400	(13,981,837)	-	-	(198,386)	(75,251)	(14,034,074)
<b>Balance at 30 June 2013</b>	<b>18,951,697</b>	<b>48,639,753</b>	<b>440,599</b>	<b>(79,100)</b>	<b>778,886</b>	<b>697,982</b>	<b>69,429,817</b>

The above preliminary statement of changes in equity should be read in conjunction with the accompanying notes.

**Lycopodium Limited and Controlled Entities**  
**Appendix 4E - Preliminary Final Report**  
**Preliminary Statement of Cash Flows**  
**For the year ended 30 June 2013**

	<b>Consolidated</b>	
Notes	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	<b>263,367,380</b>	238,619,585
Payments to suppliers and employees (inclusive of goods and services tax)	<b>(229,460,274)</b>	(208,294,894)
	<b>33,907,106</b>	30,324,691
Interest received	<b>958,113</b>	1,174,278
Interest paid	<b>(22)</b>	(28,528)
Income taxes paid	<b>(11,366,101)</b>	(13,737,993)
<b>Net cash inflow from operating activities</b>	<b>12 23,499,096</b>	<b>17,732,448</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	<b>(990,509)</b>	(1,430,323)
Payments for intangible assets	<b>(1,368,569)</b>	(158,656)
Proceeds from sale of property, plant and equipment	<b>-</b>	2,890
<b>Net cash outflow from investing activities</b>	<b>(2,359,078)</b>	<b>(1,586,089)</b>
<b>Cash flows from financing activities</b>		
Proceeds from borrowings	<b>1,676,587</b>	240,801
Repayment of borrowings	<b>(1,058,377)</b>	(1,137,321)
Dividends paid to company's shareholders	<b>(13,981,837)</b>	(12,369,633)
Repayments of hire purchase and lease liabilities	<b>(1,575,223)</b>	(1,372,002)
Proceeds from repayment of loans under the senior manager share acquisition plan	<b>183,500</b>	396,039
<b>Net cash outflow from financing activities</b>	<b>(14,755,350)</b>	<b>(14,242,116)</b>
<b>Net increase in cash and cash equivalents</b>	<b>6,384,668</b>	1,904,243
Cash and cash equivalents at the beginning of the financial year	<b>27,768,444</b>	26,199,742
Effects of exchange rate changes on cash and cash equivalents	<b>844,047</b>	(335,541)
<b>Cash and cash equivalents at end of year</b>	<b>34,997,159</b>	<b>27,768,444</b>

*The above preliminary statement of cash flows should be read in conjunction with the accompanying notes.*

## **1 Summary of significant accounting policies**

### **(a) Basis of preparation**

This preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing Rules as they relate to the Appendix 4E and in accordance with the recognition and measurement requirements of the Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Interpretations and the *Corporations Act 2001*.

As such, this preliminary financial report does not include all the notes of the type included in an annual financial report and accordingly, should be read in conjunction with the annual report for the year ended 30 June 2012 and with any public announcement made by Lycopodium Limited during the period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

The principal accounting policies adopted in the preparation of the financial report are consistent with those of the previous financial year.

## **2 Segment information**

### **(a) Description of segments**

Management has determined the operating segments based on the reports reviewed by the Board of Directors that are used to make strategic decisions.

The Board considers the business from both a product and geographic perspective and has identified nine operating segments of which three are reportable in accordance with the requirements of AASB 8.

The Corporate Services segment consists of managerial and legal services provided to the group in addition to strategic investment holdings.

The Minerals segment consists of engineering and related services provided to the extractive mining industry. The clients, including junior exploration companies and major multinational producers, are developing projects for a wide range of commodities. These projects range in scope from large greenfield projects involving process plant and equipment, civil, building works, control systems, services and infrastructure to small skid-mounted pilot plants.

The Project Services Africa segment consists of project management, construction management and commissioning services provided to the extractive mining industry in Africa.

All other operating segments are not reportable operating segments, as they fall under the quantitative thresholds of AASB 8. The results of these operations are included in the 'Other' column.

Lycopodium Limited and Controlled Entities  
Appendix 4E - Preliminary Final Report  
Preliminary Selected Notes to the Financial Statements  
For the year ended 30 June 2013  
(continued)

## 2 Segment information (continued)

### (b) Segment information provided to the Board of Directors

The segment information provided to the Board of Directors for the reportable segments for the year ended 30 June 2013 and 30 June 2012 are as follows:

	Corporate Services	Minerals	Project Services Africa	Other	Total
<b>2013</b>					
	\$	\$	\$	\$	\$
Total segment revenue	21,148,404	192,882,374	28,987,639	52,243,557	295,261,974
Inter-segment revenue	<u>(21,025,563)</u>	<u>(13,300,810)</u>	<u>(448,024)</u>	<u>(14,547,485)</u>	<u>(49,321,882)</u>
<b>Revenue from external customers</b>	<b>122,841</b>	<b>179,581,564</b>	<b>28,539,615</b>	<b>37,696,072</b>	<b>245,940,092</b>
<b>Profit / (loss) before tax</b>	<b><u>(1,264,278)</u></b>	<b><u>17,966,938</u></b>	<b><u>4,086,969</u></b>	<b><u>7,789,560</u></b>	<b><u>28,579,189</u></b>
Depreciation and amortisation	(457,450)	(951,749)	(13,463)	(769,442)	(2,192,104)
Income tax expense	594	(3,325,473)	(1,033,737)	(1,635,134)	(5,993,750)
<b>Total segment assets</b>	<b><u>12,791,180</u></b>	<b><u>69,806,003</u></b>	<b><u>12,060,806</u></b>	<b><u>24,193,836</u></b>	<b><u>118,851,825</u></b>
Total assets includes: Additions to non-current assets (other than financial assets and deferred tax)	-	2,109,909	35,485	557,054	2,702,448
<b>Total segment liabilities</b>	<b>1,267,569</b>	<b>34,999,364</b>	<b>7,262,607</b>	<b>11,150,112</b>	<b>54,679,652</b>

Lycopodium Limited and Controlled Entities  
Appendix 4E - Preliminary Final Report  
Preliminary Selected Notes to the Financial Statements  
For the year ended 30 June 2013  
(continued)

## 2 Segment information (continued)

### (b) Segment information provided to the Board of Directors (continued)

2012	Corporate Services	Minerals	Project Services Africa	Other	Total
	\$	\$	\$	\$	\$
Total segment revenue	15,598,839	203,828,953	29,852,527	29,042,949	278,323,268
Inter-segment revenue	<u>(15,217,200)</u>	<u>(18,942,790)</u>	<u>(2,559,759)</u>	<u>(9,316,537)</u>	<u>(46,036,286)</u>
<b>Revenue from external customers</b>	<b><u>381,639</u></b>	<b><u>184,886,163</u></b>	<b><u>27,292,768</u></b>	<b><u>19,726,412</u></b>	<b><u>232,286,982</u></b>
<b>Profit / (loss) before tax</b>	<b><u>(1,374,737)</u></b>	<b><u>25,872,769</u></b>	<b><u>4,712,855</u></b>	<b><u>2,605,890</u></b>	<b><u>31,816,777</u></b>
Depreciation and amortisation	(457,614)	(809,977)	(11,480)	(505,371)	(1,784,442)
Income tax expense	17,660	(7,202,077)	(1,126,626)	(1,105,635)	(9,416,678)
<b>Total segment assets</b>	<b><u>11,049,357</u></b>	<b><u>65,494,878</u></b>	<b><u>10,110,613</u></b>	<b><u>20,837,718</u></b>	<b><u>107,492,566</u></b>
Total assets includes: Additions to non-current assets (other than financial assets and deferred tax)	-	1,818,932	1,223	1,118,400	2,938,555
<b>Total segment liabilities</b>	<b><u>2,303,240</u></b>	<b><u>33,004,565</u></b>	<b><u>6,055,186</u></b>	<b><u>11,698,960</u></b>	<b><u>53,061,951</u></b>

### (c) Other segment information

#### (i) Segment revenue

Sales between segments are carried out at arm's length and are eliminated on consolidation. The revenue from external parties reported to the board of directors is measured in a manner consistent with that in the consolidated statement of comprehensive income.

The entity is domiciled in Australia. The result of its revenue from external customers in Australia is \$117,791,446 (2012: \$127,697,172), and the total of revenue from external customers from other countries is \$128,148,645 (2012: \$104,589,810). Segment revenues are allocated based on the country in which the customer is located.

Revenues of approximately \$122,976,660 (2012: \$137,555,770) are derived from the top 3 customers. These revenues are attributable to the Minerals segment.

## 2 Segment information (continued)

### (c) Other segment information (continued)

#### (ii) Segment profit before tax

The Board of Directors assesses the performance of the operating segments based on a measure of adjusted profit before tax.

A reconciliation of segment profit before tax to the profit before tax in the statement of comprehensive income is provided as follows:

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Segment profit before tax</b>	<b>28,579,189</b>	31,816,777
Amortisation of customer relationships	<b>(45,000)</b>	(45,000)
<b>Profit before income tax as per preliminary statement of comprehensive income</b>	<b>28,534,189</b>	31,771,777

#### (iii) Segment assets

The amounts provided to the Board of Directors with respect to total assets are measured in a manner consistent with that of the financial report. These assets are allocated based on the operations of the segment and the physical location of the asset.

Reportable segments' assets are reconciled to total assets as per the preliminary balance sheet as follows:

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Segment assets</b>	<b>118,851,825</b>	107,492,566
Intersegment eliminations	<b>(4,852,804)</b>	(11,750,223)
Intangibles arising on consolidation	<b>5,654,492</b>	5,699,490
Deferred tax arising on consolidation	<b>(40,500)</b>	(54,000)
<b>Total assets as per the preliminary balance sheet</b>	<b>119,613,013</b>	101,387,833

#### (iv) Segment liabilities

The amounts provided to the Board of Directors with respect to total liabilities are measured in a manner consistent with that of the financial report. These liabilities are allocated based on the operations of the segment.

Reportable segments' liabilities are reconciled to total liabilities as per the preliminary balance sheet as follows:

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Segment liabilities</b>	<b>54,679,652</b>	53,061,951
Intersegment eliminations	<b>(4,496,456)</b>	(11,553,705)
<b>Total liabilities as per the preliminary balance sheet</b>	<b>50,183,196</b>	41,508,246

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### 3 Revenue

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>From operations</b>		
<i>Sales revenue</i>		
Contract revenue	<b>244,800,461</b>	230,919,074
<i>Other revenue</i>		
Rents and sub-lease rentals	<b>14,427</b>	84,467
Bank interest	<b>929,771</b>	1,222,046
Other revenue	<b>195,433</b>	61,395
	<u><b>1,139,631</b></u>	<u>1,367,908</u>
<b>Total revenue from operations</b>	<b>245,940,092</b>	<b>232,286,982</b>

### 4 Expenses

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Profit before income tax includes the following specific expenses:</b>		
<i>Depreciation</i>		
Plant and equipment	<b>520,972</b>	457,006
Leasehold improvements	<b>531,774</b>	499,983
Leased plant and equipment	<b>788,846</b>	589,230
Motor vehicles	<b>23,949</b>	25,722
Total depreciation	<u><b>1,865,541</b></u>	<u>1,571,941</u>
<i>Amortisation</i>		
Computer software	<b>281,563</b>	167,501
Customer contracts and relationship	<b>45,000</b>	45,000
Total amortisation	<u><b>326,563</b></u>	<u>212,501</u>
Total depreciation and amortisation	<u><b>2,192,104</b></u>	<u>1,784,442</u>
<i>Finance costs</i>		
Interest and finance charges paid/payable	<u><b>232,023</b></u>	<u>330,272</u>
Net loss on disposal of property, plant and equipment	<u><b>235,536</b></u>	<u>1,503</u>
<i>Rental expense relating to operating leases</i>		
Minimum lease payments	<u><b>7,511,313</b></u>	<u>6,358,534</u>

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## 5 Income tax expense

### (a) Income tax expense

	Consolidated	
	2013	2012
	\$	\$
Current tax	10,073,708	9,994,620
Deferred tax	(3,480,144)	(202,089)
Adjustments for current tax of prior periods	(599,814)	(375,853)
	<b>5,993,750</b>	<b>9,416,678</b>
Deferred income tax included in income tax expense comprises:		
Increase in deferred tax assets	(3,123,441)	(401,934)
(Decrease)/increase in deferred tax liabilities	(356,703)	199,845
	<b>(3,480,144)</b>	<b>(202,089)</b>

### (b) Numerical reconciliation of income tax expense to prima facie tax payable

	Consolidated	
	2013	2012
	\$	\$
Profit before income tax expense	28,534,189	31,771,777
Tax at the Australian tax rate of 30% (2012: 30%)	8,560,257	9,531,533
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Share-based payment	6,904	167,600
Sundry items	42,723	80,238
Non-assessable, non-exempt income and related non-deductible expenses	(155,351)	9,472
Exchange differences on translation	180,350	(72,170)
	<b>8,634,883</b>	<b>9,716,673</b>
Adjustments for current tax of prior periods - over provision of prior year income tax	(599,814)	(375,853)
Difference in overseas tax rates	(403,923)	(322,070)
Previously unrecognised tax losses now recouped to reduce current tax expense	(761,551)	(7,436)
Deferred tax asset not recognised	358,847	449,341
Income tax paid in foreign jurisdiction	452,909	40,102
Share of net profit of joint ventures accounted for using the equity method	(1,687,601)	(84,079)
Income tax expense	<b>5,993,750</b>	<b>9,416,678</b>



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## 6 Reserves and retained profits

### (a) Reserves

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Available-for-sale investment revaluation reserve	<b>(79,100)</b>	(77,700)
Performance rights reserve	<b>778,886</b>	977,272
Foreign currency translation reserve	<b>440,599</b>	(604,666)
	<b>1,140,385</b>	294,906

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>

#### Movements:

<i>Available-for-sale investment revaluation reserve</i>		
Balance 1 July	(77,700)	(61,600)
Revaluation - gross	(2,000)	(23,000)
Deferred tax	600	6,900
Balance 30 June	(79,100)	(77,700)

<i>Performance rights reserve</i>		
Balance 1 July	977,272	418,604
Performance rights plan expense	23,014	558,668
Transfer to share capital - exercise of rights	(221,400)	-
Balance 30 June	778,886	977,272

<i>Foreign currency translation reserve</i>		
Balance 1 July	(604,666)	(267,686)
Currency translation differences arising during the year	1,045,265	(336,980)
Balance 30 June	440,599	(604,666)

### (b) Retained profits

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Balance 1 July	<b>40,689,644</b>	30,916,243
Profit for the year	<b>21,931,946</b>	22,143,034
Dividends	<b>(13,981,837)</b>	(12,369,633)
Balance 30 June	<b>48,639,753</b>	40,689,644

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**7 Non-controlling interests**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Interest in:		
Share capital	<b>28</b>	28
Reserves	<b>(73,120)</b>	2,131
Retained profits	<b>771,074</b>	162,581
	<b>697,982</b>	164,740

**8 Dividends**

**(a) Ordinary shares**

	<b>Parent entity</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Final dividend for the year ended 30 June 2012 of 21.0 cents (2011 - 20.0 cents) per fully paid share paid on 15 October 2012 (2011 - 14 October 2011) Fully franked based on tax paid @ 30% (2011: 30%)	<b>8,138,572</b>	7,731,021
Interim dividend for the year ended 30 June 2013 of 15.0 cents (2012 - 12.0 cents) per fully paid share paid on 15 April 2013 (2012 - 16 April 2012) Fully franked based on tax paid @ 30% (2012: 30%)	<b>5,843,265</b>	4,638,612
Total dividends provided for or paid	<b>13,981,837</b>	12,369,633

**(b) Dividends not recognised at the end of the reporting period**

	<b>Parent entity</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
In addition to the above dividends, since year end the Directors have recommended the payment of a final dividend of 21.0 cents per fully paid ordinary share (2012 - 21.0 cents), fully franked based on tax paid at 30%. The aggregate amount of the proposed dividend expected to be paid on 15 October 2013 out of retained earnings at 30 June 2013, but not recognised as a liability at year end, is	<b>8,180,572</b>	8,138,572

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## 9 Subsidiaries

### (a) Significant investments in subsidiaries

The consolidated financial report incorporate the assets, liabilities and results of the following principal subsidiaries:

Name of entity	Country of incorporation	Class of shares	Equity holding	
			2013 %	2012 %
Lycopodium Minerals Pty Ltd	Australia	Ordinary	100	100
Orway Mineral Consultants (WA) Pty Ltd	Australia	Ordinary	100	100
Lycopodium Process Industries Pty Ltd	Australia	Ordinary	100	100
Lycopodium (Ghana) Pty Ltd	Australia	Ordinary	100	100
Lycopodium (Ghana) Limited	Ghana	Ordinary	100	100
Lycopodium Tanzania Limited	Tanzania	Ordinary	100	100
Lycopodium (Philippines) Pty Ltd	Australia	Ordinary	100	100
Lycopodium Minerals QLD Pty Ltd	Australia	Ordinary	100	100
Lycopodium Infrastructure Pty Ltd	Australia	Ordinary	100	100
Lycopodium Asset Management Pty Ltd	Australia	Ordinary	100	100
SUPL Pty Ltd	Australia	Ordinary	100	100
Lycopodium Share Plan Pty Ltd	Australia	Ordinary	100	100
Lycopodium Mauritius	Mauritius	Ordinary	100	100
Lycopodium Mauritania SARL	Mauritania	Ordinary	100	100
Lycopodium Americas Pty Ltd	Australia	Ordinary	85	85
Lycopodium Minerals U.S.A Inc.	U.S.A	Ordinary	100	100
Lycopodium Minerals Canada Ltd	Canada	Ordinary	100	100
Orway Mineral Consultants Americas Pty Ltd	Australia	Ordinary	85	85
Orway Mineral Consultants Canada Ltd	Canada	Ordinary	100	100
Lycopodium PNG Ltd	PNG	Ordinary	100	100
Lycopodium Burkina Faso SARL	Burkina Faso	Ordinary	100	100
Lycopodium Rail Pty Ltd	Australia	Ordinary	75	75
Lycopodium Ghana Infrastructure Ltd	Ghana	Ordinary	100	100
Lycopodium Management Consulting Pty Ltd (i)	Australia	Ordinary	100	-

(i) Lycopodium Management Consulting Pty Ltd was incorporated on 15 November 2012.

## 10 Investment in joint ventures

### (a) Movements in carrying amounts

	Consolidated	
	2013 \$	2012 \$
Carrying amount at the beginning of the financial year	280,264	-
Share of profits after income tax	5,625,335	280,263
Share capital introduced	-	1
Carrying amount at the end of the financial year	<b>5,905,599</b>	280,264

## 10 Investment in joint ventures (continued)

### (b) Summarised financial information of joint ventures

The group's share of the results of its joint ventures and its aggregated assets (including goodwill) and liabilities are as follows:

	Ownership Interest %	Assets \$	Company's share of: Liabilities \$	Revenues \$	Profit \$
<b>2013</b>					
Joint ventures	50	14,932,757	9,027,156	31,896,501	5,625,335
<b>2012</b>					
Joint ventures	50	3,667,418	3,387,154	1,994,317	280,263

## 11 Events occurring after the reporting period

With the exception of the dividends as noted in note 8(b), no other matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect:

- (a) the consolidated entity's operations in future financial years, or
- (b) the results of those operations in future financial years, or
- (c) the consolidated entity's state of affairs in future financial years.

## 12 Reconciliation of profit after income tax to net cash inflow from operating activities

	Consolidated	
	2013 \$	2012 \$
Profit for the year	22,540,439	22,355,099
Depreciation and amortisation	2,192,104	1,784,442
Non-cash employee benefits expense - share-based payments	23,014	558,668
Net loss on sale of non-current assets	235,536	1,503
Share of profits of joint venture partnership	(5,625,335)	(280,263)
Interest relating to financing activities	232,000	301,743
Change in operating assets and liabilities:		
Increase in trade debtors and other receivables	(663,759)	(12,755,002)
Increase in deferred tax assets	(3,489,979)	(255,521)
Increase in other operating assets	(1,001,518)	(826,727)
Increase in trade creditors	10,499,063	10,077,582
Decrease in provision for income taxes payable	(1,882,372)	(4,065,794)
Increase in other provisions	439,903	836,718
Net cash inflow from operating activities	<b>23,499,096</b>	<b>17,732,448</b>

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### 13 Earnings per share

**(a) Basic earnings per share**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>Cents</b>	<b>Cents</b>
Basic earnings per share attributable to the ordinary equity holders of the company	<b>56.5</b>	57.3

**(b) Diluted earnings per share**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>Cents</b>	<b>Cents</b>
Diluted earnings per share attributable to the ordinary equity holders of the company	<b>55.4</b>	56.0

**(c) Reconciliation of earnings used in calculating earnings per share**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<i>Basic earnings per share</i>		
Profit attributable to the ordinary equity holders of the company used in calculating basic earnings per share	<b>21,931,946</b>	22,143,034
<i>Diluted earnings per share</i>		
Used in calculating diluted earnings per share	<b>21,931,946</b>	22,143,034

**(d) Weighted average number of shares used as denominator**

	<b>Consolidated</b>	
	<b>2013</b>	<b>2012</b>
	<b>Number</b>	<b>Number</b>
<i>Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share</i>	<b>38,796,747</b>	38,655,103
Adjustments for calculation of diluted earnings per share:		
Performance rights	<b>801,329</b>	906,370
<i>Weighted average number of ordinary and potential ordinary shares used as the denominator in calculating diluted earnings per share</i>	<b>39,598,076</b>	39,561,473

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**Additional dividend/distribution information** (Appendix 4E item 6)

Details of dividends/distributions declared or paid during or subsequent to the year ended 30 June 2013 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend	Franked amount per security
2 October 2012	15 October 2012	Final	21.0 cents	\$8,138,572	21.0 cents
2 April 2013	15 April 2012	Interim	15.0 cents	\$5,843,265	15.0 cents
2 October 2013	15 October 2013	Final	21.0 cents	\$8,180,572	21.0 cents

**Audit Alert** (Appendix 4E items 15 - 17)

This report is based on accounts which are in the process of being audited.