



ASHLEY SERVICES GROUP

TRAINING | RECRUITMENT | LABOUR HIRE

1 June 2016

Business Update

Ashley Services Group Limited (ASX: ASH) provides the following update in relation to its FY16 earnings expectations.

Second Half 2016 Results

- Statutory loss after income tax: \$3-5 million loss (1H16: \$66.7 million loss)
- Underlying EBITDA: \$0-2 million loss (1H16: \$6.7 million loss)

Included in the second half EBITDA results are circa \$3 million of aggregate charges which follow on from the new Managing Director's ongoing review of the business, being predominantly further balance sheet provisioning and historic adjustments. Excluding this, all 5 continuing businesses are expected to report EBITDA profits in the second half, compared to the first half when only 2 of 5 made profits.

Full Year 2016 Results

- Statutory loss after income tax: \$70-72 million loss (1H16: \$66.7 million loss; FY15: \$14.8 million profit)
- Underlying EBITDA: \$7-9 million loss (1H16: \$6.7 million loss; FY15: \$20.7 million profit)

Included in the first half results were \$61 million of impairment write-downs and other charges, with a further \$2 million likely in the second half mainly related to restructuring of the Cantillon business.

Commentary

The new Managing Director, Stewart Cummins, has substantially completed his strategic review of the ASH business and has initiated a series of changes across most areas. "The objectives of stabilising the earnings base and pursuing a 5 step turnaround plan are progressing well. On a trading basis, the Company is around break-even for the second half – a sharp improvement on the first half. Pleasingly, we are also seeing a steady stream of new customers come into all of our 5 business units, reflecting the efforts to improve our strategic market focus".

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The Company is due to release its Full Year 2016 results on Tuesday 23 August 2016.

For further details:

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