

Financial and operating update

27 March 2015

ASX & media announcement

ASX code: SXE

- **Scheduled execution of work on major project slower than previously forecast**
- **SCEE not expecting to be profitable in H2 FY15**
- **Restructuring review of operations underway**
- **Full year NPAT outcome still uncertain**
- **Balance sheet solid and forecast to remain strong**
- **Interim CEO appointed with new CEO recruitment process well progressed**

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SCEE advises that due primarily to the scheduled execution of work on a major project now being slower than previously forecast there will be a reduction in revenue and margin expectations for this period. As a result the business is not expecting to be profitable in the second half of the 2015 financial year. The work that is not now being forecast for this period is still anticipated to be executed in the 2016 financial year.

A detailed review of the Company's operations is underway to ensure that SCEE is appropriately structured for the current market conditions and forecast activity levels.

Full year NPAT continues to remain uncertain at this point in time and is dependent on the outcome of this review, winning and timing of award and execution of future orders, progress of current projects and closing out existing commercial claims as currently forecast.

In this context the Board continues to believe that it is inappropriate to give definitive full year earnings guidance at the present time.

The balance sheet remains strong with \$34m of cash on 25 March. The order book at 28 February was \$117m.

The CEO recruitment process is well progressed. Due to personal family circumstances the Board has agreed to bring forward the stepping down of Mr Simon High from the Managing Director and CEO position. In the meantime Mr Chris Douglass, the Chief Financial Officer, has been appointed as interim CEO until the selected candidate has taken up the post. Mr High will remain available to the company in an advisory capacity during this transition period. The Board wishes to reiterate its thanks to Mr High for his contribution to the development of SCEE during his tenure.

About SCEE

SCEE is a leading provider of specialised electrical and instrumentation services to Australia's resources sector.

Delivering life-of-project electrical infrastructure, construction and support services to its blue-chip customers for more than 30 years, SCEE also has a strong reputation for safety and excellence.

Our expertise and capacity enables us to undertake complex large-scale projects in harsh and remote environments.

Committed to our people with a strong focus on training and development, our track-record and collaborative, flexible approach has seen us continually expand our operations.

SCEE was established in 1978 and was listed on the Australian Securities Exchange in 2007 under the code SXE.