

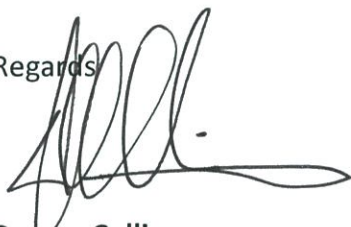
26 February 2016

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

Media Release on December 2015 Half Year Results

Attached please find a media release being issued in respect of the December 2015 half year reporting for Bisalloy Steel Group Limited.

Regards



Darren Collins
Chief Financial Officer & Company Secretary

26 February 2016

ASX / Media Release

Financial Results Half Year ended 31 December 2015 ("HY16")

Bisalloy's Earnings in Line with Guidance

- EBITDA of \$3.3m up 19.6% on last comparable half
- Profit after tax of \$1.4m up 45% on last comparable half
- Net debt of \$4.3m, compared to \$3.6m at 30 June 2015 and down from \$7.2m at 31 December 2014, with gearing now at 14.7%
- Reaffirmed Full Year EBITDA guidance of \$4.5m to \$5.0m

	HY16 \$m	HY15 \$m	Change %
Revenue	\$30.5	\$28.7	+6.3%
EBITDA ⁽¹⁾	\$3.3	\$2.8	+19.6%
NPAT	\$1.4	\$1.0	+45.0%
EPS	3.0c	1.9c	+57.9%

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

Bisalloy today reported EBITDA of \$3.3m for the six months to 31 December 2015 (HY15: \$2.8m). The increase in earnings is in line with Bisalloy's guidance presented at the 2015 Annual General Meeting. This increase is attributable to a 44 bps improvement in operating margins resulting from the continued focus on the Group's cost base following the restructuring undertaken in the second half of FY14, an increase in margins from armour and export sales due to the softening of the A\$, as well as a 131% increase in the Group's profit contribution from the CJV compared to the corresponding period last year

Operating cash flow for the period was \$1.9m (HY15: \$3.4m), which was largely applied to fund the 2015 final dividend paid to shareholders on 30 November 2015. Net debt at 31 December 2015 stood at \$4.3m (June 2015: \$3.6m) and gearing now stands at 14.7%.

Commenting on the result Managing Director, Greg Albert said "Bisalloy is pleased with the solid financial performance for the first half of the 2016 fiscal year. The reduction in domestic demand for Quenched and Tempered ("Q&T") steel plate in the resources sector on account of continued price decreases in bulk commodities such as iron ore and coal, has resulted in a lower level of investment in new capital equipment and in delayed repairs and maintenance (R&M) spend by miners in both fixed and mobile plant assets. The significant reduction in bulk commodity prices has also meant that many recently completed capital projects with higher per unit costs have gone into care and maintenance mode. To address this shift in the market, in addition to further developing its existing armour plate business, the Group is focussing on diversifying into additional complimentary products and an increased exposure into



structural applications has been established for Bisplate with the inclusion of Q&T steels in the Australian Steel Structures Standard AS4100-1998”.

Mr Albert added “the Group has now gone 1,008 days without a Lost Time Injury, an outcome of which all at Bisalloy are very proud”.

Outlook

In light of the continuing challenging market conditions, the Directors are unable at this time to provide an outlook with an acceptable level of confidence.

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-ENDS-

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.