

31 August 2012

PRELIMINARY FINAL REPORT YEAR ENDED 30 JUNE 2012

- **Group revenue \$152 million**
- **Net profit after tax of \$5.5 million**
- **OTOC Transaction completed and core businesses positioned for growth**
- **Strong pipeline of new projects, with over \$300 million in tenders submitted**

OTOC Limited (ASX code: OTC) is pleased to report it has achieved record group profit of \$5.5 million for the year ended 30 June 2012.

FY2012 was a milestone year for the OTOC group. Emerson Stewart Limited was re-named OTOC Limited following its acquisition by OTOC Australia in October 2011. The OTOC group performed strongly in its first year as an ASX listed group recording revenue of \$152 million and results from operating activities of \$7.2 million in FY2012. This strong result reflects ongoing demand for OTOC Australia's services in the non-process infrastructure works and relationships with blue-chip customers in the iron ore sector. The group's other core business Whelans contributed to these results through its exposure to the growing oil & gas sector and the expansion of its Karratha office.

The group has benefited from the introduction of highly credentialed senior management.

Mr Adam Lamond was appointed Chief Executive Officer following completion of the OTOC transaction. Mr Lamond was responsible for building OTOC from an on-site electrical contractor to a business that provides turnkey infrastructure solutions for blue-chip clients such as BHP, Rio Tinto and FMG. Mr Lamond is supported by an experienced operational and corporate team, including the recently appointed General Manager - David Russell, Chief Financial Officer – Brian Mangano and Company Secretary – Lisa Wynne.

Group Chairman, Derek La Ferla also brings extensive legal, commercial and boardroom experience to the OTOC group.

OTOC's CEO Adam Lamond said: "We are pleased to record robust financial results in OTOC's first year as a publicly listed company. We enter FY2013 with over \$300 million of tenders submitted and look forward to a strong result in the financial year ahead."

About OTOC

OTOC Limited is a leading provider of resources and infrastructure services through its wholly owned operations OTOC Australia and Whelans.

Established in 2003, OTOC Australia specialises in the installation of mine site accommodation and non-process infrastructure for mining and oil and gas projects. OTOC Australia has a successful track record of delivering turnkey mining camp solutions for blue-chip clients including BHP Billiton, Rio Tinto and FMG.

Whelans is a leading consultancy in the provision of surveying, mapping and town planning, with a focus on the resources sector. Whelans has 110 professional staff operating from offices in Perth, Karratha, Broome, Kununurra and Kalgoorlie.

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PRELIMINARY FINAL REPORT YEAR ENDED 30 JUNE 2012

Results for announcement to the market

A summary of the overall results for the year ended 30 June 2012.

OTOC Limited

				\$000
Revenue from ordinary activities	up	185%	to	152,177
Profit from ordinary activities after tax attributable to members	up	795%	to	5,535
Net profit for the period attributable to members	up	795%	to	5,535
Earnings per share (basic)	up	625%	to	\$0.042
NTA Backing		30 June 2012	30 June 2011	
Net tangible asset backing per ordinary security		\$0.08	\$0.07	

Control gained or lost over entities in the financial period

On 13 October 2011, Emerson Stewart Group Limited subsequently renamed OTOC Limited completed an acquisition of OTOC Australia. In accordance with the accounting standards, this acquisition has been treated as a reverse acquisition business combination for accounting purposes.

In this regard the results above for the period ended 30 June 2012 include the results of OTOC Australia for the 12 months ended 30 June 2012 and OTOC Limited for the 9 month period from the date of acquisition to 30 June 2012. The comparison for the year ended 30 June 2011 represents the results of OTOC Australia only for that year.

Dividends declared

No dividends were declared or paid during the period by OTOC Limited (formerly Emerson Stewart Group Limited).

A fully franked dividend of \$950,000 (\$0.40 per share) was paid on 30 September 2011 by OTOC Group Pty Ltd being a pre-acquisition distribution.

Dividends or distribution reinvestment plan

OTOC Limited does not currently operate a dividend reinvestment plan.

Preliminary financial report

This report is based on figures from current internal management accounts and subject to finalisation of the full year accounts and external audit which is underway.

Net Assets and Cash Position

OTOC has strengthened its working capital position and repaid \$1.9 million in borrowings during the year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$000	\$000
Revenue	152,177	53,316
Cost of sales	(129,773)	(43,696)
Gross profit	22,404	9,620
Marketing expenses	(205)	(78)
Occupancy expenses	(1,452)	(549)
Administration expenses	(13,504)	(8,206)
Results from operating activities	7,243	787
Financial income	3,443	60
Finance costs	(1,645)	(647)
Net finance income/(costs)	1,798	(587)
Profit/(loss) before income tax	9,041	200
Income tax (expense)/benefit	(2,828)	(996)
Net profit/(loss) after tax	6,213	(796)
Loss from discontinued operation	(678)	-
Other comprehensive income for the period, net of income tax	-	-
Total comprehensive income/(loss) for the period	5,535	(796)
Earnings per share		
Basic earnings (loss) per share - cents per share	4.2	(0.8)
Diluted earnings (loss) per share - cents per share	3.4	(0.8)

The accompanying notes form part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2012

	2012	2011
	\$000	\$000
Current assets		
Cash and cash equivalents	3,962	2,094
Trade and other receivables	14,380	13,441
Work in progress	24,275	2,721
Other current assets	630	563
Assets held for resale	887	-
Total current assets	44,134	18,819
Non-current assets		
Plant and equipment	10,418	3,612
Investments	80	585
Other non-current assets	116	-
Deferred tax assets	-	109
Intangible assets	1,052	-
Total non-current assets	11,666	4,306
Total assets	55,800	23,125
Current liabilities		
Bank overdraft	650	-
Trade and other payables	22,711	9,521
Loans and borrowings	8,056	1,364
Employee benefits	3,454	1,808
Current tax payable	-	3,573
Financial liability	4,600	-
Liabilities held for sale	183	-
Total current liabilities	39,654	16,266
Non-current liabilities		
Loans and borrowings	1,245	1,304
Deferred tax liability	1,811	-
Employee benefits	255	-
Total non-current liabilities	3,311	1,304
Total liabilities	42,965	17,570
Net assets	12,835	5,555
Equity		
Share capital	4,588	1,975
Retained earnings	8,247	3,580
Total equity	12,835	5,555

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2012

	Attributable to equity holders of the Group		
	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000
Balance at 1 July 2011	1,975	3,580	5,555
Total comprehensive income for the period			
Profit/(loss)	-	5,535	5,535
Total comprehensive income for the period	-	5,535	5,535
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
Equity issued net of transaction costs	1,316	-	1,316
Dividends declared	-	(950)	(950)
Adjustment on reverse acquisition	1,297	82	1,379
Total contributions by and distributions to owners	2,613	(950)	1,745
Total transactions with owners	2,613	(950)	1,745
Balance at 30 June 2012	4,588	8,247	12,835

	Attributable to equity holders of the Group		
	Share Capital	Retained Earnings	Total Equity
	\$000	\$000	\$000
Balance at 1 July 2010	1,975	5,546	7,521
Total comprehensive income for the period			
Profit/(loss)	-	(796)	(796)
Total comprehensive income for the period	-	(796)	(796)
Transactions with owners, recorded directly in equity			
Contributions by and distributions to owners			
Dividend declared	-	(1,170)	(1,170)
Total contributions by and distributions to owners	-	(1,170)	(1,170)
Total transactions with owners	-	(1,170)	(1,170)
Balance at 30 June 2011	1,975	3,580	5,555

The accompanying notes form an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2012

	2012	2011
	\$000	\$000
Cash flow from operating activities		
Receipts from customers	166,011	49,866
Payments to suppliers and employees	(157,765)	(46,877)
Income tax (paid)/refund	(4,481)	1,815
Interest paid	(1,645)	(641)
Interest received	43	153
Net cash used in operating activities	2,163	4,316
Cash Flows from investing activities		
Proceeds from sale of property, plant and equipment	-	66
Purchase of property, plant and equipment	(9,106)	(1,640)
Reverse acquisition, net of cash acquired	1,528	-
Net cash used in investing activities	(7,578)	(1,574)
Cash flow from financing activities		
Loans from related parties	-	566
Repayment of borrowings	(1,880)	(1,144)
Proceeds from borrowings	8,513	1,532
Dividends paid	-	(1,170)
Net cash used in financing activities	6,633	(216)
Net increase/(decrease) in cash held	1,218	2,526
Cash at beginning of year	2,094	(432)
Cash at end of year	3,312	2,094

The accompanying notes form an integral part of these consolidated financial statements.

Notes to the Financial Statements

For the year ended 30 June 2012

Note 1: Statement of significant accounting policies

This preliminary financial report has been prepared in accordance with Australian Securities Exchange Listing rules as they relate to Appendix 4E and in accordance with the measurement requirements of Australian Accounting Standards and Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Corporations Act 2001. As such, this preliminary financial report does not include all the notes of the type included in the annual financial report and accordingly, should be read in conjunction with the Interim Financial Report for the six months ended 31 December 2011, and with any public announcements made by OTOC Limited during the reporting period in accordance with the disclosure requirements of the Corporations Act 2001.

The following is a summary of the material accounting policies adopted by the consolidated group in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

The Company is of a kind referred to in Class Order 98/0100 issued by the Australian Securities and Investment Commission, relating to the "rounding off" of amounts in the Directors' Report and financial statements. Amounts have been rounded off to the nearest thousand dollars in accordance with that Class Order.

The accounting policies have been consistently applied to all years presented.

This preliminary final report is based on accounts that are not audited.

Note 2: Earnings per share

	2012	2011
Earning used to calculate basic EPS - \$000	5,535	(796)
Weighted average number of ordinary shares outstanding during the period used in calculating basic EPS	132,221,158	100,000,000
Basic earnings (loss) per share - cents per share	4.2	(0.8)
Weighted average number of ordinary shares outstanding during the period used in calculating Diluted EPS	162,029,377	100,000,000
Diluted earnings (loss) per share - cents per share	3.4	(0.8)

Note 3: Segment Note

The Group has three reportable segments being managed separately by the service provided. Internal management reports on the performance of these reportable segments are reviewed monthly by the Chief Executive Officer. The following summary describes the operations in each of the Group's reportable segments:

OTOC Operations ("OTOC") – provides turnkey camp/village installations to the Western Australian resources and infrastructure sector.

Whelans Consulting Operations ("Whelans") – provides surveying, mapping and town planning services throughout Western Australian.

The Emerson Stewart Consulting Operations is considered to be an asset held for sale.

Information regarding the results of each reportable segment is detailed below. Comparative segment information has been presented in conformity with the requirement of AASB 8 Operating Segments.

Operating segments information	OTOC Operations		Whelans Operations		Discontinued operations		Total	
	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000	2012 \$000	2011 \$000
Reportable segments for the year								
External revenues	133,460	53,316	19,841	-	5,317	-	158,618	53,516
Inter-segment revenues	-	-	1,124	-	-	-	1,124	-
Reportable segment result before income tax	5,551	200	1,521	-	(678)	-	6,394	200
Reportable segment assets	39,177	23,016	15,162	-	2,430	-	56,769	23,016
Reportable segment liabilities	28,706	17,570	5,625	-	883	-	35,214	17,570

Note 4: Events subsequent to balance date

On 3 July 2012, OTOC Limited announced that it had entered into an Asset Sale and Purchase Deed for sale of Emerson Stewart Pty Ltd consulting division as the division was found by the board to be noncore to the strategic future of the group. Proceeds from the transaction are expected to be approximately \$1,180,000, and will be used as working capital to support the growth of the group's core businesses.