

## ASX Announcement

30 April 2015



### Quarterly Business Update – Appendix 4c

Tempo Australia Limited (ASX: TPP) (Tempo, the Company) is pleased to provide the following update on its business activities for the three months to 31 March 2015.

The quarter coincided with a period of significant ramp up in activity for the business.

#### Up to \$11m increase in Rio Tinto contract

In February the Company was issued with approval for variations of up to \$11 million for its existing contract with Rio Tinto at its Cape Lambert Port B Project, in the Pilbara region of Western Australia. The variations have the potential to increase the value of Tempo's contract with Rio Tinto by up to \$11 million, and increase the anticipated contract value to approximately \$25 million. The variations relate to structural, mechanical and piping miscellaneous works and commissioning at the project.

#### Strengthening of Board and Management

In April Tempo announced changes to strengthen its Board and management structure. Experienced corporate and resource sector professional, Brian Thomas, was appointed to the Board as an Independent Non-Executive Director. He has more than 15 years experience in the financial services industry, with senior roles with Westpac Institutional Bank, Merrill Lynch and Morgans Stockbroking. Mr Thomas is also an experienced company director and chairman.

Also, in line with best practice corporate governance principles, Mr Michael West stepped down from the Board to focus solely on his role as the Company's Chief Financial Officer and Company Secretary. The appointment of Mr Thomas to the Board has provided the opportunity to appropriately re-structure the Board and separate the CFO and Company Secretary responsibilities from executive-level board duties

#### Commentary on the Appendix 4C

Significant to the cash flow for the quarter was the timing of the reporting of certain payments and receipts, with significant receipts to Tempo received in early April, after the quarterly reporting period. These timing of these payments impacted on the Company's net operating cash flow position. Also, under the terms of certain client contracts, the Company is required to lodge retention payments with the client. These retention payments are payable back to Tempo in due course, but their initial payment to the client also impacted on the Company's net operating cash flow position.

ENDS

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### **About Tempo**

Tempo Australia Ltd (ASX: TPP) was established in 2011 to provide Structural Mechanical Piping (SMP) services to the mining, oil and gas sectors specialising in:

- ◆ construction (greenfield and brownfield);
- ◆ maintenance;
- ◆ sustaining capital works; and
- ◆ shutdowns.

Tempo works collaboratively with clients to execute projects safely and deliver them on time and on budget.

# Appendix 4C

## Quarterly report for entities admitted on the basis of commitments

Introduced 31/03/00 Amended 30/09/01, 24/10/05, 17/12/10

Name of entity

Tempo Australia Limited (and control entities)

ABN

51 000 689 725

Quarter ended ("current quarter")

31<sup>st</sup> March 2015

### Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'ooo	Year to date (3 months) \$A'ooo
1.1	Receipts from customers	7,593	7,593
1.2	Payments for		
	(a) staff costs	(4,437)	(4,437)
	(b) advertising and marketing	(4)	(4)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(5,595)	(5,595)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(66)	(66)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
<b>Net operating cash flows</b>		<b>(2,509)</b>	<b>(2,509)</b>

+ See chapter 19 for defined terms.

**Appendix 4C**  
**Quarterly report for entities**  
**admitted on the basis of commitments**

	Curent quarter \$A'ooo	Year to date (3 months) \$A'ooo
1.8 Net operating cash flows (carried forward)	(2,509)	(2,509)
<b>1.9 Cash flows related to investing activities</b>		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
<b>1.10 Proceeds from disposal of:</b>		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (provide details if material)	-	-
<b>Net investing cash flows</b>	-	-
<b>1.14 Total operating and investing cash flows</b>	(2,509)	(2,509)
<b>Cash flows related to financing activities</b>		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	2,034	2,034
1.18 Repayment of borrowings	-	-
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
<b>Net financing cash flows</b>	2,034	2,034
<b>Net increase (decrease) in cash held</b>	(475)	(475)
1.21 Cash at beginning of quarter/year to date	1,126	1,126
1.22 Exchange rate adjustments to item 1.20	-	-
<b>1.23 Cash at end of quarter</b>	651	651

+ See chapter 19 for defined terms.

## Payments to directors of the entity and associates of the directors

### Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.24	Aggregate amount of payments to the parties included in item 1.2	(11)
1.25	Aggregate amount of loans to the parties included in item 1.11	-
1.26	Explanation necessary for an understanding of the transactions	
	-	

## Non-cash financing and investing activities

- 2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

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- 2.2 Details of outlays made by other entities to establish or increase their share in businesses in which the reporting entity has an interest

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## Financing facilities available

*Add notes as necessary for an understanding of the position.*

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities *	5,500	2,634
3.2 Credit standby arrangements	-	-

Two debtor's finance facility has been active to assist with working capital. At balance date the above amount was available for draw down, but not utilised. The amount available for draw down under the facility will vary from month to month.

\* The availability to borrow depends on prevailing debtor balances at any point in time.

## Reconciliation of cash


Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.		Current quarter \$A'000	Previous quarter \$A'000
4.1	Cash on hand and at bank	544	1,040
4.2	Deposits at call	107	86
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
<b>Total: cash at end of quarter</b> (item 1.23)		651	1,126

## Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1	Name of entity	-
5.2	Place of incorporation or registration	-
5.3	Consideration for acquisition or disposal	-
5.4	Total net assets	-
5.5	Nature of business	-

## Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act (except to the extent that information is not required because of note 2) or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:  .....  
 (CFO and Company Secretary)

Date: 30 April 2015

Print name: Michael West