

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 30 June 2015.

June quarterly cash flow commentary

The June 2015 quarter was a positive quarter for Tempo. The Company reported a strong increase in sales receipts to \$15.3 million for the quarter and also delivered positive operating cash flows of \$1.9 million in the quarter. This increase in sales receipts is reflective of the Company's strong current order book of work.

Tempo's working capital requirements continued to be funded and managed through the Company's existing finance facilities which are underpinned by customer invoices not yet received.

The Company also notes the ongoing impact on its cash flow position of retention payments it is required to lodge with clients under the terms of some of its contracts, and the timing of the reporting of certain payments and receipts. Retention payments are payable back to Tempo in due course at the completion of contracts, but the requirement to lodge them with clients' impacts on the Company's net operating cash flow position until their return.

Subcontract on Gorgon LNG project awarded

In May, Tempo was awarded a sub-contract for the provision of construction, pre-commissioning and commissioning services at the Chevron-operated Gorgon LNG Project on Barrow Island, in Western Australia. During the quarter, the Company began mobilising personnel to the project site, and expects to have in excess of 175 personnel engaged on site in coming months.

In excess of \$5m in new works secured

In July the Company reported it had secured in excess of \$5 million in new works, and extensions and variations to existing contracts. This included:

- New electrical and mechanical commissioning works at BHP Billiton Iron Ore's Mooka Ore Car Repair Shop, located near Port Headland on behalf of a leading international equipment supplier;
- Extensions and additional works added to its existing contract with Rio Tinto Ltd at its Cape Lambert Port B Expansion Project in the Pilbara region of Western Australia;
- Additional construction works at BHP Billiton Iron Ore's Mooka Ore Car Repair Shop for McConnell Dowell; and
- Additional works at Rio Tinto's Cape Lambert Port Expansion Project on behalf of a leading international equipment supplier.

Rio Tinto Safety award

Tempo was also recently awarded the Rio Tinto 'Make a Difference' award for safety innovations at the Cape Lambert Port B Project. It identified and implemented a new methodology that reduced manual handling, manning levels and costs in a conveyor belt replacement program. The award was significant recognition of Tempo's commitment to safety and its ability to adopt on-site innovation to reduce the risk of injury.

ENDS

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About Tempo

Tempo Australia Ltd (ASX: TPP) is an emerging services company to the minerals resources, energy and infrastructure sectors. It was established in 2011 and has specific expertise in the provision of Structural Mechanical Piping (SMP) services to the mining, energy sectors specialising in:

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

Tempo also has an Electrical Contractors licence. The Company is focused on securing contracts with major, blue chip companies, and has a significant new business pipeline in various stages of development. It aims to work 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")

30 June 2015

Consolidated statement of cash flows

Cash flows related to operating activities		Current quarter \$A'000	Year to date (6 months) \$A'000
1.1	Receipts from customers	15,305	22,898
1.2	Payments for		
	(a) staff costs	(5,545)	(9,982)
	(b) advertising and marketing	(4)	(8)
	(c) research and development	-	-
	(d) leased assets	-	-
	(e) other working capital	(7,724)	(13,319)
1.3	Dividends received	-	-
1.4	Interest and other items of a similar nature received	-	-
1.5	Interest and other costs of finance paid	(108)	(174)
1.6	Income taxes paid	-	-
1.7	Other (provide details if material)	-	-
Net operating cash flows		1,924	(585)

+ 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 (6 months) \$A'ooo
1.8 Net operating cash flows (carried forward)	1,924	(585)
1.9 Cash flows related to investing activities		
Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	-	-
(e) other non-current assets	-	-
1.10 Proceeds from disposal of:		
(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)	-	-
Net investing cash flows	-	-
1.14 Total operating and investing cash flows	1,924	(585)
Cash flows related to financing activities		
1.15 Proceeds from issues of shares, options, etc.	-	-
1.16 Proceeds from sale of forfeited shares	-	-
1.17 Proceeds from borrowings	-	2,034
1.18 Repayment of borrowings	(1,805)	(1,805)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	(1,805)	229
Net increase (decrease) in cash held	119	(356)
1.21 Cash at beginning of quarter/year to date	651	1,126
1.22 Exchange rate adjustments to item 1.20	-	-
1.23 Cash at end of quarter	770	770

+ 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	(15)
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*	4,650	829
3.2 Credit standby arrangements	-	-

*Finance facility available 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 and 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	683	544
4.2	Deposits at call	86	107
4.3	Bank overdraft	-	-
4.4	Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)		770	651

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 July 2015

Print name: Michael West