



INTERIM FINANCIAL REPORT

30 June 2016



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CORPORATE DIRECTORY

DIRECTORS

Carmelo Bontempo
Philip Loots
Brian Thomas
Max Bergomi

Chairman
Independent Non-Executive Director
Independent Non-Executive Director
Chief Executive Officer and Managing Director

EXECUTIVE TEAM

Daniel Hibbs
Michael West

Chief Operating Officer
Chief Financial Officer and Company Secretary

STOCK EXCHANGE LISTING

The company's shares are quoted on the Australian Stock Exchange under the code TPP.

REGISTERED OFFICE

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APPENDIX 4D

COMPANY DETAILS

Name of entity	Tempo Australia Limited
ABN	51 000 689 725
Reporting period	Half-year ended 30 June 2016
Previous corresponding period	Half-year ended 30 June 2015

RESULTS FOR ANNOUNCEMENT TO THE MARKET

All figures expressed in Australian dollars unless otherwise stated

Revenue from continuing operations	Up 99% from \$27,770,207 to \$55,218,049
Profit after income tax	Up 453% from \$675,602 to \$3,735,861

NET TANGIBLE ASSETS

	30 June 2016	30 June 2015
Net asset backing per ordinary share	9.0 cents	4.0 cents
Net tangible asset backing per ordinary share	7.5 cents	2.4 cents

CONTROL GAINED OVER ENTITIES

Name of entity (or group of entities)	N/A
Date control gained	N/A
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	N/A
Consolidated profit/ (loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	N/A

LOSS OF CONTROL OVER ENTITIES

Name of entity (or group of entities)	N/A
Date control lost	N/A
Contribution of such entities to the reporting entity's profit/ (loss) from ordinary activities during the period (where material).	N/A
Consolidated profit/ (loss) from ordinary activities of the controlled entity (or group of entities) whilst controlled during the whole of the previous corresponding period (where material).	N/A

DIVIDENDS

	Amount per share	Franked amount per Share %
Interim dividend declared	Nil	N/A
Final dividend declared	Nil	N/A

SHARE BUY-BACK SCHEME

The Company does not currently have an on-market share buy-back scheme in place.

DIVIDEND REINVESTMENT PLANS

Not applicable

DETAILS OF ASSOCIATES AND JOINT VENTURES

Not applicable

FOREIGN ENTITIES

Not applicable

AUDIT QUALIFICATION OR REVIEW

The accounts were subject to a review by the auditors and the unqualified auditor's review report is attached as part of the Interim Report.

ATTACHMENTS

The Interim Report of Tempo Australia Limited for the half-year ended 30 June 2016 is attached.

SIGNED

Signed: 
Michael West
CFO and Company Secretary

Date: 29 August 2016

DIRECTORS' REPORT

The directors present their report together with the consolidated interim financial statements for the half-year ended 30 June 2016.

DIRECTORS

The directors of the Company at any time during or since the end of the interim period are:

Carmelo Bontempo	Chairman (Initial appointment as Non-Executive-Director 3 August 2011 Appointed as Chairman 7 February 2014 Appointed as Executive Chairman 17 April 2014 Appointed Non-Executive Chairman 31 March 2016)
Philip Loots	Non-Executive Director (Initial appointment 20 February 2014)
Brian Thomas	Non-Executive Director (Initial appointment 7 April 2015)
Massimo Bergomi	CEO and Managing Director (Initial appointment as Chief Executive Officer 11 January 2016 Appointment as Managing Director and Chief Executive Officer 31 March 2016)

PRINCIPAL ACTIVITIES

The principal activities of the company were the provision of multidisciplinary (SMP, Electrical and Instrumentation) maintenance and construction services to the resources sector.

The Company has used the cash and assets in a way that is consistent with its business objective of providing construction, maintenance and personnel management services.

RESULTS

The consolidated profit after income tax attributable to the members of Tempo Australia Limited was \$3,735,861.

	Consolidated Entity	
	2016 Half Year \$	2015 Half Year \$
Profit after income tax	3,735,861	675,602
Basic earnings after tax- cents per share	1.886	0.346

REVIEW OF OPERATIONS

Tempo provides sector specialist multidisciplinary maintenance and construction services which protect and enhance our clients' investments, without ever compromising on our values.

Highlights of Tempo's activities and operations since the year ended 31 December 2015 are presented as follows:

- On 18 January 2016, Tempo announced it had secured approximately \$65 million in additions to two of its contracts in the oil and gas, and mining industries. These extensions see Tempo continuing to work with these clients across construction, pre-commissions and commissioning support services.
- On 7 March 2016, Tempo announced that effective 31 March 2016, Max Bergomi would join the Board as Chief Executive Officer and Managing Director, and that Carmelo Bontempo would step down from his executive Chairman role to become Non-Executive Chairman. The changes are in line with Tempo's business plan and the implementation of the company's management strategy and succession planning as it continues to drive its structured growth backed by strong governance processes.
- On 15 April 2016, Tempo announced that it issued 6,408,307 shares to fulfil validly exercised ESOP and class C options which had exercise prices of \$0.10 per share, that had not been fulfilled through on market purchase of shares through the Company's Employee Share Trust
- On 31 May 2106 the Company held its Annual General Meeting (AGM) for 2016. All resolutions presented at the meeting were adopted by shareholders on a show of hands.
- On 10 June 2016 the Company issued 6,330,000 Performance rights issued under the Employee Share Right Plan approved by shareholders in the 2016 AGM and 2,000,000 unlisted options at an exercise price of \$0.34 as approved by shareholders at the 2016 AGM.

SUBSEQUENT EVENTS

- On 28 July 2016 the Company announced it had entered into an agreement to purchase the core assets of specialist electrical, telecom and data communications contractor, Cablelogic Pty Ltd. This acquisition expands Tempo's electrical delivery capabilities and extends its service offering to include telecom and data communications infrastructure experience. It also extends Tempo's presence in the Pilbara region of Western Australia through a regional office and workshop in Karratha.

Apart from the matter disclosed above, there are no other matters which has arisen since 30 June 2016 that has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

AUDITOR'S INDEPENDENCE DECLARATION

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is included within the financial report.

On behalf of the directors,



Max Bergomi
CEO and Managing Director

Date 29 August 2016

STATEMENT OF COMPREHENSIVE INCOME

For the half-year ended 30 June 2016

	Consolidated entity	
	30 June 2016	30 June 2015
	\$	\$
Revenue	55,157,790	27,767,247
Other income	60,259	2,960
Revenue	55,218,049	27,770,207
Employee and director benefits expense	46,138,442	15,937,865
Administration costs	261,451	224,188
Occupancy costs	106,937	153,755
Depreciation and amortisation	85,706	55,169
Other expenses	4,023,134	9,989,211
Listing and other statutory charges	29,691	14,614
Interest and finance charges	81,203	172,480
Other professional expenses	352,468	207,744
Total expenses	51,079,032	26,755,026
Profit before income tax	4,139,017	1,015,181
Income tax expense	(403,156)	(339,579)
Profit attributable to the members of the parent entity	3,735,861	675,602
Other comprehensive income	-	-
Total comprehensive income	3,735,861	675,602
Net profit attributable to members of the parent entity	3,735,861	675,602
Earnings per share		
Basic earnings – cents per share	1.886	0.346
Diluted earnings – cents per share	1.886	0.346

STATEMENT OF FINANCIAL POSITION

As at 30 June 2016

	Consolidated entity	
	30 June 2016	31 December 2015
Note	\$	\$
CURRENT ASSETS		
Cash and cash equivalents	3,739,765	7,426,812
Trade and other receivables	28,387,096	20,290,736
Other assets	160,804	310,853
Total current assets	32,287,665	28,028,401
NON-CURRENT ASSETS		
Plant and equipment	432,922	400,383
Goodwill	3,118,087	3,118,087
Deferred tax assets	2,483,302	2,886,457
Total non-current assets	6,034,311	6,404,927
Total assets	38,321,976	34,433,328
CURRENT LIABILITIES		
Trade and other payables	5,089,593	12,301,341
Borrowings	84,352	354,854
Provisions	14,771,532	7,583,273
Total current liabilities	19,945,477	20,239,468
NON-CURRENT LIABILITIES		
Deferred tax liabilities	73,566	73,566
Borrowings	82,361	179,353
Total non-current liabilities	155,927	252,919
Total liabilities	20,101,404	20,492,387
Net assets	18,220,572	13,940,941
EQUITY		
Issued capital	2	70,606,023
Reserve		273,922
Accumulated losses		(52,659,373)
Total equity		18,220,572

STATEMENT OF CHANGES IN EQUITY

For the half-year ended 30 June 2016

Consolidated	Issued capital	Accumulated profit/(losses)	Share based payment reserve	Total equity
	\$	\$	\$	\$
At 1 January 2015	70,153,493	(63,135,229)	84,647	7,102,911
Profit after income tax expense for the half-year	-	675,602	-	675,602
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	675,602	-	675,602
Share issues	-	-	-	-
Share based payments	-	-	69,442	69,442
Transaction costs	-	-	-	-
At 30 June 2015	70,153,493	(62,459,627)	154,089	7,847,955
At 1 January 2016	70,153,493	(56,395,234)	182,682	13,940,941
Profit after income tax expense for the half-year	-	3,735,861	-	3,735,862
Other comprehensive income for the half-year	-	-	-	-
Total comprehensive income for the half-year	-	3,735,861	-	3,735,862
Share issues (net)	452,530	-	-	452,529
Share based payments	-	-	91,240	91,240
Transaction costs	-	-	-	-
At 30 June 2016	70,606,023	(52,659,373)	273,922	18,220,572

STATEMENT OF CASH FLOWS

For the half-year ended 30 June 2016

	Consolidated entity	
	30 June 2016	30 June 2015
	\$	\$
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts from customers (inclusive of goods and service tax)	52,611,392	22,892,601
Payments to suppliers, employees (inclusive of goods and service tax)	(56,189,185)	(23,297,360)
Interest and finance costs	(81,203)	(172,480)
Interest received	5,160	2,960
Net cash used in operating activities	(3,653,836)	(574,279)
CASH FLOW FROM INVESTING ACTIVITIES		
Payments for plant and equipment	(118,246)	-
Net cash used in investing activities	(118,246)	-
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from issue of equity instruments	842,100	-
Payments for shares acquired by the Employee Share Trust	(389,571)	-
Proceeds from borrowings	-	229,283
Repayments of borrowings	(367,494)	-
Net cash provided by financing activities	85,035	229,283
Net decrease in cash and cash equivalents	(3,687,047)	(344,996)
Cash and cash equivalents at beginning of year	7,426,812	1,123,444
Cash and cash equivalents as at 30 June	3,739,765	778,448

NOTES TO THE FINANCIAL STATEMENTS

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

These general purpose financial statements for the interim half-year reporting period ended 30 June 2016 have been prepared in accordance with Australian Accounting Standard AASB 134 'Interim Financial Reporting' and the Corporations Act 2001, as appropriate for for-profit oriented entities. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 'Interim Financial Reporting'.

These general purpose financial statements do not include all the notes of the type normally included in annual financial statements. Accordingly, these financial statements are to be read in conjunction with the annual report for the year ended 31 December 2015 and any public announcements made by the company during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001.

The principal accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

NOTE 2: ISSUED CAPITAL

Movements during the half-year:

	Number of shares	\$
Beginning of the financial period	195,440,059	70,153,493
Issued during the period	6,408,307	1,858,409
Options exercised at 10 cents per share	8,421,000	842,100
On-market purchase*	(2,012,693)	(388,689)
Subscription of new shares*	(6,408,307)	(1,859,290)
End of financial period	201,848,366	70,606,023

*Acquisition of shares by the Employee Share Trust.

NOTE 3: ISSUE OF EQUITIES

During the half-year, the following unlisted options and performance rights were issued:

- 1,500,000 unlisted options (exercise price of 15 cents per share with an expiry date of 7 August 2017) issued under Tempo's employee share option plan.
- 2,000,000 unlisted options (exercise price of 34 cents per share with an expiry date of 30 June 2019). The Options will vest on 31 May 2019 on the condition of the recipient being a Director of the Company at the time of vesting.
- 2,500,000 performance rights (vesting date of 1 July 2018 based on satisfaction of certain vesting conditions) issued under the Employee Share Right Plan approved by shareholder in the 2016 AGM.
- 1,500,000 performance rights (vesting date of 1 July 2019 based on satisfaction of certain conditions) issued under the Employee Share Right Plan approved by shareholder in the 2016 AGM.
- 2,330,000 performance rights (vesting dates between 15/03/2018 and 21/12/2018 based on satisfaction of certain vesting conditions) issued under the Employee Share Right Plan approved by shareholder in the 2016 AGM.

The following options were exercised in current financial year:

- 3,106,000 unlisted options issued under the Tempo's employee share option plan. Exercisable at 10 cents per share, subject to vesting conditions and expiring 28/03/2016.
- 3,315,000 unlisted options issued under the Tempo's employee share option plan. Exercisable at 10 cents per share, subject to vesting conditions and expiring 09/04/2016.
- 2,000,000 unlisted options. Exercisable at 10 cents per share, subject to vesting conditions and expiring 21/03/16.

The following unlisted options were cancelled or expired unexercised:

- 1,000,000 unlisted options issued under the tempo employee share option plan dated. Exercisable at 15 cents per share, subject to vesting conditions and expiring 7/08/2017.
- 685,000 Unlisted options issued under the Tempo's employee share option plan. Exercisable at 10 cents per share, subject to vesting conditions and expiring 09/04/2016.

The following are the number and class of all securities not quoted on ASX (includes those listed above).

Number	Class
1,500,000	Unlisted options issued under the Plan. Exercisable at 15 cents per share, subject to vesting conditions and expiring 07/08/2017.
2,000,000	D Class Unlisted Options have an exercise price of 14 cents per share, expiring 21/03/17. The Options will vest on 21 February 2017 on the condition of the recipient being a Director of the Company at the time of vesting.
2,500,000	Performance Rights Issued under the plan. Vesting date of 1 July 2018 based on satisfaction of certain conditions.
1,500,000	Performance Rights Issued under the Plan. Vesting date of 1 July 2019 based on satisfaction of certain conditions.
2,330,000	Performance Rights Issued under the Plan. Vesting dates between 15/03/2018 and 21/12/2018 based on satisfaction of certain vesting conditions.
2,000,000	E Class Unlisted Options have an exercise price of 34 cents per share, expiring 30/06/2019. The Options will vest on 31 May 2019 on the condition of the recipient being a Director of the Company at the time of vesting.

NOTE 3: ISSUE OF EQUITIES (continued)

Employee share trust

During the half-year, the company has established an Employee Share Trust for the purpose of acquiring, holding and transferring shares in connection with the Employee Share Option Plan established by the company for the benefits of participants in those plans. Under the Trust, 8,421,000 shares were issued by the Trust to the participants.

NOTE 4: DIVIDENDS

There were no dividends paid or proposed in the half-year.

NOTE 5: SEGMENT REPORTING

The Group has identified its operating segment based on internal management reporting that is reviewed by the Board of Directors (chief operating decision makers) in assessing performance and determining the allocation of resources. The Group operated in one segment being mining services.

NOTE 6: CONTINGENT LIABILITIES

There have been no material changes in contingent liabilities since 31 December 2015.

NOTE 7: SUBSEQUENT EVENTS

On 28 July 2016 the Company announced it had entered into an agreement to purchase the core assets of specialist electrical, telecom and data communications contractor, Cablelogic Pty Ltd. This acquisition expands Tempo's electrical delivery capabilities and extends its service offering to include telecom and data communications infrastructure experience. It also extends Tempo's presence in the Pilbara region of Western Australia through a regional office and workshop in Karratha.

Apart from the matter disclosed above, there are no other matters which has arisen since 30 June 2016 that has significantly affected or may significantly affect the Group's operations, the results of those operations or the Group's state of affairs in future financial years.

DIRECTORS' DECLARATION

The directors declare that the financial statements and notes are in accordance with the Corporations Act 2001 and:

- a. Comply with Australian Accounting Standard AASB 134 'Interim Financial Reporting', the Corporations Regulations 2001 and other mandatory professional reporting requirements; and
- b. Give a true and fair view of the financial position of the consolidated entity as at 30 June 2016 and of its performance for the half-year ended on that date.

In the opinion of the directors, there are reasonable grounds to believe the company will be able to pay its debts as and when they become due and payable.



Max Bergomi
CEO and Managing Director

Date 29 August 2016



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**INDEPENDENT AUDITOR'S REVIEW REPORT
TO THE MEMBERS OF
TEMPO AUSTRALIA LIMITED**

We have reviewed the accompanying half-year financial report of Tempo Australia Limited which comprises the statement of financial position as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration of the consolidated entity comprising the company and the entities it controlled at the half-year end or from time to time during the half-year.

Directors' Responsibility for the Half-Year Financial Report

The directors of the company are responsible for the preparation of the half-year financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial report that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the half-year financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As the auditor of Tempo Australia Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

THE POWER OF BEING UNDERSTOOD
AUDIT | TAX | CONSULTING

RSM Australia Partners is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

RSM Australia Partners ABN 36 965 185 036

Liability limited by a scheme approved under Professional Standards Legislation

Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Tempo Australia Limited, would be in the same terms if given to the directors as at the time of this auditor's review report.

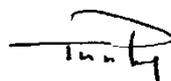
Conclusion

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial report of Tempo Australia Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the consolidated entity's financial position as at 30 June 2016 and of its performance for the half-year ended on that date; and
- (b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

RSM

RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 August 2016

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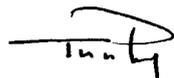
AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the review of the financial report of Tempo Australia Limited for the half-year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.



RSM AUSTRALIA PARTNERS



TUTU PHONG
Partner

Perth, WA
Dated: 29 August 2016