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**27 February 2014**

**ASX RELEASE**

**Release of Appendix 4D and Half Year Review**

The Directors of Site Group International Limited ("Site" ASX:SIT) are pleased to announce release of the Appendix 4D and financial accounts for the period ended 31 December 2013.

On behalf of the Board  
Duncan Cornish  
Company Secretary

# **SITEGROUP** **International**

Site Group International Limited  
*ABN 73 003 201 910*

ASX Half-Year Information – 31 December 2013

Lodged with the ASX under Listing Rule 4.2A

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This interim financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 30 June 2013 and any public announcements made by Site Group International Limited during the interim reporting period in accordance with the continuous disclosure requirements of the *Corporations Act 2001*.

**APPENDIX 4D  
HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE**

<b>Name of entity</b>	Site Group International Limited
<b>ABN</b>	73 003 201 910
<b>Half Year Ended</b>	31 December 2013
<b>Previous corresponding reporting period</b>	31 December 2012

**Results for Announcement to the Market**

	<b>\$'000</b>	<b>Percentage increase / (decrease) over previous corresponding period</b>
Revenue from ordinary activities	\$7,633	23% increase
Profit / (loss) from ordinary activities after tax attributable to members	\$(2,644)	22% decrease in loss
Net Profit / (loss) for the period attributable to members	\$(2,644)	22% decrease in loss
<b>Dividends</b>		
	<b>Amount per security</b>	<b>Franked amount per security</b>
Final dividend	Nil	Not applicable
Interim dividend	Nil	
Record date for determining entitlements to the dividends (if any)	Not applicable	
Brief explanation of any of the figures reported above necessary to enable the figures to be understood:		
Refer to directors report on page 7.		

**Dividends**

Date the dividend is payable	Not applicable
Record date to determine entitlement to the dividend	
Amount per security	
Total dividend	
Amount per security of foreign sourced dividend or distribution	
Details of any dividend reinvestment plans in operation	
The last date for receipt of an election notice for participation in any dividend reinvestment plans.	

**NTA Backing**

	<b>Current Period</b>	<b>Previous corresponding period</b>
Net tangible asset backing per ordinary security	1.97 cents	2.58 cents

**APPENDIX 4D  
HALF-YEAR REPORT TO THE AUSTRALIAN STOCK EXCHANGE**

**Control Gained Over Entities Having Material Effect**

Name of entity (or group of entities)	Romea Consulting Pty Ltd
Date control gained	6 December, 2013
Contribution by entity to Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	\$(13,226)
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	Unable to reliably determine


**Foreign Entities Accounting Framework**

Same accounting principles have been applied for the subsidiary operating in the Philippines as the Australian entities.

**Audit / Review Status**

This report is based on accounts to which one of the following applies: (Tick one)			
The accounts have been audited	<input type="checkbox"/>	The accounts have been subject to review	<input checked="" type="checkbox"/>
If the accounts are subject to audit dispute or qualification, a description of the dispute or qualification:  Not Applicable			

**Attachments Forming Part of Appendix 4D**

Attachment #	Details
Signed by (Director / Company Secretary)	
Print Name	Vernon Wills
Date	27 February 2014



Site Group International Limited  
*ABN 73 003 201 910*

Financial Statements for the Half Year ended 31 December, 2013

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Site Group International Limited  
ABN 73 003 201 910

Financial Statements for the Half Year ended 31 December, 2013

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## Directors' Report

Your Directors submit their report for the half-year ended 31 December 2013.

### Directors

The names of the directors of the Company in office during the half-year and until the date of this report are:

Vernon Wills (Managing Director and CEO)  
Nicasio Alcantara  
Darryl Somerville (Chairman)  
Shaun Scott

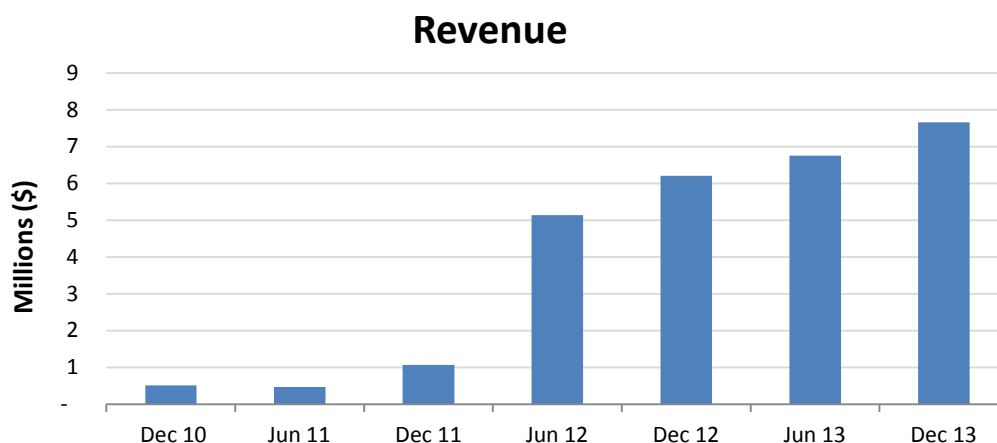
### Principal Activities

The principal activities of the consolidated entity during the half-year were the provision of vocational education and training through the Site Skills Training business in Australia and the Philippines and recruitment services through the Site WorkReady business in the Philippines. There has been no significant change in the principal activities of the consolidated entity during the period.

### Review of operations and results

#### Group

Total revenue from operations was \$7,632,746 (2012: 6,207,366) a 23% increase over the prior comparative period. The half year on half year revenue growth for the group is illustrated in the following graph:

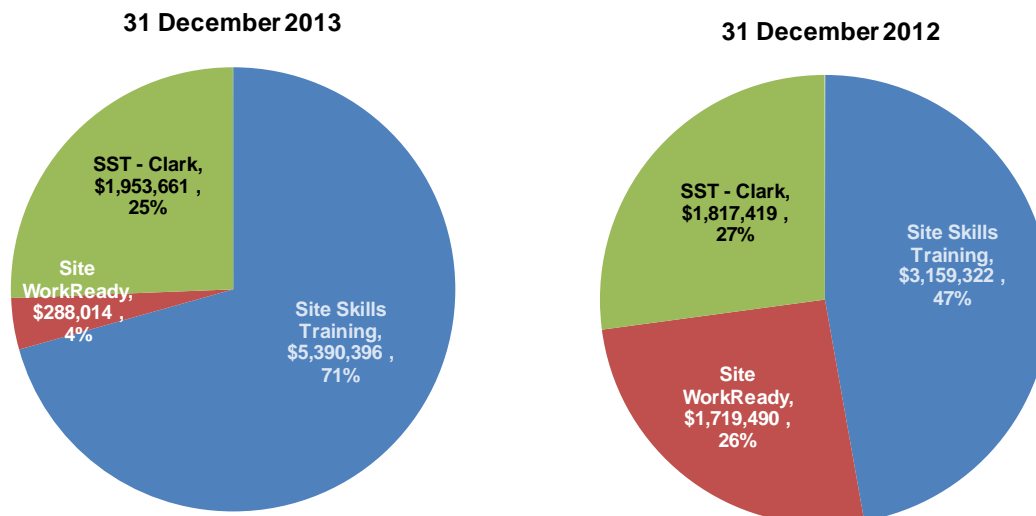


*Graph 1 Reported Half Yearly Revenue - December 2010 to December 2013*

Revenue contribution and activity by each segment is illustrated in the two charts below. Of particular note is the strong growth in Site Skills Training reflecting the ramp up of the Australian domestic training business and the reduction in the Site WorkReady business with the short term downturn in 457 visa placements:-



Group continued...



Graph 2 Gross Revenue by Business December 2013 versus December 2012 (excludes eliminations)

	31 December		Change 13-12	31-Dec	Change 12-11
	2013	2012	%	2011	%
Revenue	7,632,746	6,207,366	23.0%	1,070,689	479.8%
Net loss	(2,644,009)	(3,397,438)	22.2%	(3,254,811)	(4.4%)
add back					
Depreciation and amortisation	672,656	719,530	(6.5%)	274,097	162.5%
Interest paid	8,996	56,611	(84.1%)	22,946	146.7%
Income tax expense	1,744	-	-	4,482	-
deduct					
Interest Income	18,846	16,085	17.2%	11,777	36.6%
EBITDA*	(1,979,459)	(2,637,382)	24.9%	(2,965,063)	11.1%
Operating cash inflow /(outflow)	(995,515)	(3,781,036)	73.7%	(2,920,081)	(29.5%)

\* EBITDA is a non-IFRS measure however the Directors believe that it is a readily calculated measure that has broad acceptance and is used by regular users of published financial statements as a proxy for overall operating performance. EBITDA is not an audited number.

Table 1 Financial Summary

For the half-year ended 31 December 2013, Site Group International Limited reported a loss after tax of \$2,644,009 compared to a \$3,397,438 loss in the previous corresponding period. Operating loss before income tax was \$2,642,265 for the period compared to \$3,397,438 in the corresponding period in 2012.

This result in part continues to reflect the significant investment required for the expansion of our offering and capability. Through expanding the service offering, Site will be able to maximise the return on its investment in its existing facilities as well as leveraging the existing client base.

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## Group continued...

It is encouraging to see that earnings before interest, taxes and depreciation and amortisation (EBITDA\*) loss reduced by 25% to \$1,979,459 versus the prior comparative period (2012:\$2,637,382) and continues the annual improvement that was delivered at 30 June 2013.

This period has seen the inclusion of the Romea Training acquisition completed on the 6 December 2013 as the foundation for the new energy division within Site Skills Training. The targeted rollout of new courses has commenced and we are expecting to deliver significant returns from this expansion of our scope, particularly in our energy training centres of Perth and Gladstone.

## Site Skills Training

As noted in June, training revenue and training customer growth continues at a pleasing rate.

Within Australia, Site Skills training currently has 4 major training facilities in Perth, Gladstone, Darwin and Landsborough and has been able to build its customer base predominantly focusing on the areas of high risk training.

Overall the revenue of \$5,390,396 for the training and assessment business excluding Clark was an increase of 71% over the 31 December 2012 half year (2012: \$3,159,322). This growth is expected to continue through the end of the 2014 financial year.

Whilst developing its reputation and credibility with its customers, Site has also been planning the rollout of its next phase whereby it will look to further develop capacity to participate in the government training support schemes through areas such as VET Fee Help, Cert III guarantee funding and other funding programs from Federal and State Governments.

As detailed in our 2013 Annual Report, Site Skills Training in the Clark Freeport Zone, Philippines continues to cater to an ever growing number of multi-national corporations. Revenue for the six months to 31 December 2013 was \$1,953,661 compared to \$1,817,419 for the six months to 31 December 2012. In addition the agreement signed with the Ipatas foundation for 120 PNG nationals to attend longer term residential program in camp services, welding and fabrication and heavy diesel commenced in November 2013. This is expected to lead to additional training from other jurisdictions looking for longer term programs.

## Site WorkReady

Revenue for our international placement business Site WorkReady was significantly down to \$288,014 for the half year (2012: \$1,719,490). The business was impacted by a massive reduction in mining services related skilled workers being recruited nationally under 457 visas. As anticipated in the 30 June 2013 annual report, the slowdown continued past the Australian Federal Election in September. The focus for the Site Work Ready team is on projects where certain skills will not be able to be sourced exclusively within Australia as well as expanding on deployment into other international locations.

## Cash Position

At 31 December 2013 the company had cash at bank of \$485,304 and available undrawn debt facilities of \$1,500,000 providing total cash facilities of just under \$2.0 million. Given the expected operating results in the second half of the year and the capital raising conducted in January 2014 which raised 4,687,983 before transaction costs, the company has sufficient funding to meet its medium term funding requirements.

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### Dividends

Subsequent to 31 December 2013, the Directors have not recommended the payment of an interim dividend.

### Earnings/(loss) per share

Basic earnings/(loss) per share for the financial half-year is (0.79) cents (2012: (1.19) cents).

### Auditor independence

The Auditor's Independence Declaration to the Directors of Site Group International Limited, which forms part of the Directors' Report, is set out on page 11 of this report.

Signed in accordance with a resolution of the Directors this 27th day of February 2014.



.....  
Vernon Wills - Director



Ernst & Young  
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## Auditor's Independence Declaration to the Directors of Site Group International Limited

In relation to our review of the financial report of Site Group International Limited for the half-year ended 31 December 2013, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the *Corporations Act 2001* or any applicable code of professional conduct.

Ernst & Young

Ric Roach  
Partner  
27 February 2014

To the members of Site Group International Limited

## Report on the Half-Year Financial Report

We have reviewed the accompanying half-year financial report of Site Group International Limited, which comprises the statement of financial position as at 31 December 2013, 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 controls as the directors determine are 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 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 31 December 2013 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 Site Group International Limited and the entities it controlled during the half-year, 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.

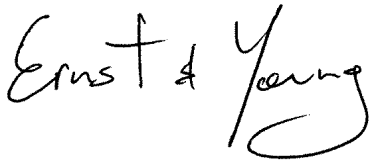
### Independence

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' 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 Site Group International 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 31 December 2013 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*.



Ernst & Young



Ric Roach  
Partner  
Brisbane  
27 February 2014

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## Directors' Declaration

In accordance with a resolution of the directors of Site Group International Limited, I state that:

In the opinion of the directors:

- (a) the financial statements and notes of Site Group International Limited for the half year ended 31 December 2013 are in accordance with the Corporations Act 2001, including:
  - i. Giving a true and fair view of the consolidated entity's financial position as at 31 December 2013 and of its performance for the half year ended on that date; and
  - ii. complying with Accounting Standards and the Corporations Regulations 2001.
- (b) There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board



Vernon Wills  
Director  
27 February 2014

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910  
AND CONTROLLED ENTITIES FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

**Statement of Comprehensive Income**

	Consolidated Group	
	Half-year ended 31-Dec-13 \$	Half-year ended 31-Dec-12 \$
<b>Continuing operations</b>		
Revenue	7,632,746	6,207,366
Interest Income - external	18,846	16,085
<b>Total Revenue</b>	<b>7,651,592</b>	<b>6,223,451</b>
Contractor expenses	( 2,190,914)	( 1,551,746)
Other direct fees and costs	( 1,522,071)	( 1,248,982)
Employee benefits expense	( 3,017,378)	( 2,811,214)
Depreciation and amortisation expense	( 672,656)	( 719,530)
Finance costs (Note 2)	( 8,996)	( 56,611)
Other expenses (Note 3)	( 1,755,456)	( 2,143,277)
Occupancy expenses	( 1,248,410)	( 1,080,019)
Foreign currency (loss) / gain	122,024	( 9,511)
<b>Loss before Tax</b>	<b>( 2,642,265)</b>	<b>( 3,397,438)</b>
Income tax benefit / (expense)	( 1,744)	-
<b>Loss for the period from continuing operations</b>	<b>( 2,644,009)</b>	<b>( 3,397,438)</b>
<b>Loss for the period</b>	<b>( 2,644,009)</b>	<b>( 3,397,438)</b>
<b>Other Comprehensive Income to be reclassified to profit or loss in subsequent periods</b>		
Translation of foreign operations	214,318	( 47,815)
Total Other Comprehensive Income	214,318	( 47,815)
<b>Total Comprehensive Income</b>	<b>( 2,429,691)</b>	<b>( 3,445,253)</b>
<b>Earnings (loss) per share</b>		
Basic and diluted (cents per share)	( 0.79)	( 1.19)



**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910  
AND CONTROLLED ENTITIES AS AT 31 DECEMBER 2013**

**Statement of Financial Position**

	Consolidated Group	
	31-Dec-13	30-Jun-13
	\$	\$
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	485,304	1,465,584
Trade and other receivables	2,696,156	2,973,819
Inventories	91,602	44,206
Intangible Assets	162,450	162,450
Prepayments	170,866	64,836
Security Deposits	280,339	520,296
<b>Total Current Assets</b>	<b>3,886,717</b>	<b>5,231,191</b>
<b>Non-Current Assets</b>		
Property, plant and equipment (Note 8)	7,238,018	6,896,687
Intangible assets	1,855,170	1,003,990
Security deposits	330,582	323,086
Other non-current financial assets	23,889	16,046
<b>Total Non-Current Assets</b>	<b>9,447,659</b>	<b>8,239,809</b>
<b>Total Assets</b>	<b>13,334,376</b>	<b>13,471,000</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Trade and other payables	2,342,781	1,573,893
Interest bearing debt	506,903	4,953
Current tax liabilities	-	17,494
Provisions and other current financial liabilities	206,571	204,517
<b>Total Current Liabilities</b>	<b>3,056,255</b>	<b>1,800,857</b>
<b>Non-Current Liabilities</b>		
Other provisions	1,627,888	1,396,682
Interest bearing debt	16,769	19,364
<b>Total Non-Current Liabilities</b>	<b>1,644,657</b>	<b>1,416,046</b>
<b>Total Liabilities</b>	<b>4,700,912</b>	<b>3,216,903</b>
<b>Net Assets</b>	<b>8,633,464</b>	<b>10,254,097</b>
<b>Equity</b>		
Issued capital (Note 5)	36,723,347	36,148,564
Reserves	1,673,665	1,225,072
Retained earnings / (losses)	( 29,763,548)	( 27,119,539)
<b>Total Equity</b>	<b>8,633,464</b>	<b>10,254,097</b>

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910  
AND CONTROLLED ENTITIES FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

**Statement of Changes in Equity**

	Share Capital		Reserves		Total
	Ordinary	Retained Earnings/ (Accumulated Losses)	Foreign Currency Translation Reserve	Option Reserve	
	\$	\$	\$	\$	\$
<b>Consolidated Group</b>					
<b>Balance at 1 July 2012</b>	25,362,928	(21,298,134)	710,640	418,578	5,194,012
<b>Comprehensive income</b>					
Profit /(Loss) for the period	-	(3,397,438)	-	-	(3,397,438)
Other comprehensive income for the period	-	-	(47,815)	-	(47,815)
<b>Total comprehensive income for the period</b>	-	(3,397,438)	(47,815)	-	(3,445,253)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Shares issued during the period	7,926,234	-	-	-	7,926,234
Transaction costs	(345,071)	-	-	-	(345,071)
Share-based Payments	-	-	-	200,003	200,003
<b>Total transactions with owners and other transfers</b>	7,581,163	-	-	200,003	7,781,166
<b>Balance at 31 December 2012</b>	32,944,091	(24,695,572)	662,825	618,581	9,529,925
<b>Balance at 1 July 2013</b>	36,148,564	(27,119,539)	650,526	574,546	10,254,097
<b>Comprehensive income</b>					
Profit /(Loss) for the period	-	(2,644,009)	-	-	(2,644,009)
Other comprehensive income for the period	-	-	214,318	-	214,318
<b>Total comprehensive income for the period</b>	-	(2,644,009)	214,318	-	(2,429,691)
<b>Transactions with owners, in their capacity as owners, and other transfers</b>					
Shares issued during the period	652,842	-	-	-	652,842
Transaction costs	(78,059)	-	-	-	(78,059)
Share-based Payments	-	-	-	234,275	234,275
<b>Total transactions with owners and other transfers</b>	574,783	-	-	234,275	809,058
<b>Balance at 31 December 2013</b>	36,723,347	(29,763,548)	864,844	808,821	8,633,464

**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910  
AND CONTROLLED ENTITIES FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

**Statement of Cash Flows**

	Consolidated Group	
	Half-year ended 31 Dec 2013 \$	Half-year ended 31 Dec 2012 \$
<b>Cash Flows From Operating Activities</b>		
Receipts from customers (Inclusive of GST)	8,301,578	5,601,677
Payments to suppliers and employees (Inclusive of GST)	(9,289,826)	(9,344,100)
Interest received	18,828	16,085
Finance costs	(4,812)	(54,698)
Income tax paid	(21,283)	-
<b>Net cash provided by/(used in) operating activities</b>	<b>(995,515)</b>	<b>(3,781,036)</b>
<b>Cash Flows From Investing Activities</b>		
Purchase of property, plant and equipment (Note 8)	(423,439)	(1,157,795)
Proceeds from disposals	21,432	-
Cash backed performance bonds	251,402	(500,000)
Net cash acquired/ (paid) for business/subsidiary (Note 6)	(720,700)	47,292
<b>Net cash provided by/(used in) investing activities</b>	<b>(871,305)</b>	<b>(1,610,503)</b>
<b>Cash Flows From Financing Activities</b>		
Proceeds from issue of shares	382,842	7,083,608
Proceeds from borrowings	500,000	-
Repayment of borrowings	-	(1,000,000)
Transaction costs on shares	(10,106)	(345,071)
<b>Net cash provided by/(used in) financing activities</b>	<b>872,736</b>	<b>5,738,537</b>
<b>Net increase/(decrease) in cash held</b>	<b>(994,084)</b>	<b>346,998</b>
Net foreign exchange differences	13,804	(542)
Cash and cash equivalents at beginning of period	1,465,584	586,380
<b>Cash and cash equivalents at end of period</b>	<b>485,304</b>	<b>932,836</b>

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**SITE GROUP INTERNATIONAL LIMITED ABN: 73 003 201 910  
AND CONTROLLED ENTITIES FOR THE HALF YEAR ENDED 31 DECEMBER 2013**

**Notes to the Financial Statements**

**1 Significant accounting policies**

**Reporting entity**

Site Group International Limited (parent) is a company limited by shares incorporated in Australia whose shares are publically traded on the Australian Stock Exchange (ASX Code: SIT). The consolidated interim financial report of the company as at and for the six months ended 31 December 2013 comprises the parent company and its subsidiaries (together referred to as 'the consolidated entity' or 'Group').

**Statement of compliance**

The half-year financial report is an interim financial report prepared in accordance with the Corporations Act 2001 and AASB 134 Interim Financial Reporting. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. The half-year financial report does not include notes of the type normally included in an annual financial report and shall be read in conjunction with the most recent annual financial report.

The consolidated interim financial report was approved by the Board of Directors on 25 February 2014.

**Basis of preparation**

The financial statements have been prepared on the basis of historical cost. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial report are consistent with those adopted and disclosed in the company's 2013 annual financial report for the financial year ended 30 June 2013, except for the impact described below. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

*Accounting Standard Changes*

- AASB 10 Consolidated financial statements
- AASB 11 Joint Arrangements
- AASB 12 Disclosure of interests in other entities
- AASB 13 Fair value measurement
- AASB 119 Employee Benefits
- AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Liabilities
- AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual improvements 2009-2011 Cycle
- AASB 2012-9 Amendments to AASB 1048 arising from withdrawal of Australian Interpretation 1039
- AASB CF 2013-1 Amendments to the Australian Conceptual Framework

The adoption of these amendments has not resulted in any major changes to the Group's accounting policies and has not had any effect on the financial position and performance of the Group for the half-year ended 31 December 2013.

The consolidated entity has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.

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## Estimates

The preparation of interim financial reports requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses. Actual results may differ from these estimates.

In preparing the consolidated interim financial report, the significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial report as at and for the year ended 30 June 2013.

## Going Concern

The half year financial report has been prepared on the basis that the consolidated entity can continue to meet its financial obligations as and when they fall due and can therefore continue normal activities, including the settlement of liabilities and the realisation of assets in the ordinary course of business.

In the six months to 31 December 2013 the company incurred a net loss of \$2.6M and cash outflows from operating activities of \$1.0M. Current forecasts of operational performance and capital expenditure requirements, for the ongoing ramp up of new training facilities, indicate that this situation will continue into the third quarter of the 2014 financial year with cash receipts from training revenue starting to match the cash outflows from operations and capital expenditure.

Successful expansion of facilities and continual expansion of scope and programs, provide a platform for the company being self-funding in the fourth quarter of the 2014 financial year. At 31 December 2013, the company had cash reserves of \$485,304 as well as access to undrawn debt facilities of \$1,500,000. The Company also completed a non-renounceable entitlement offer in January 2014 raising \$4,687,983 before offer costs. Funds raised under the offer have been earmarked to facilitate organic growth and development in conjunction with an acquisition strategy and working capital purposes. The existing debt facility with Wayburn Holdings Pty Ltd for \$2 million has been extended to 31 August 2015.

The directors believe that at the date of the signing of the financial statements there are reasonable grounds to believe that, having regard to the matters set out above, the entity will meet its operational cash flow forecasts. However should this not be the case the company has the ability to draw upon the debt facility. Further the directors expect the company to continue to have the support of its investors and raise sufficient funds (if needed) to meet the company's anticipated cash flow requirements so that it can meet its obligations as and when they fall due.

## 2 Finance Costs

	Half Year Ended 31-Dec-13 \$	Half Year Ended 31-Dec-12 \$
<b>Finance Costs</b>		
Interest Expense - Third Parties	5,544	4,827
Interest Expense - Related Parties (Wayburn Holdings)	1,950	49,871
Facilities Fee	1,502	1,913
	<u>8,996</u>	<u>56,611</u>

### 3 Other Expenses

	Half Year Ended 31-Dec-13 \$	Half Year Ended 31-Dec-12 \$
<b>Other expenses</b>		
Legal, accounting and other professional fees	204,716	249,403
Travel and accommodation	378,208	384,124
Marketing expense	195,529	264,364
Consultants Expense	400,665	731,312
Other operating expenses	576,338	514,074
	<u>1,755,456</u>	<u>2,143,277</u>

### 4 Segment information

For management purposes Site Group International Limited has organised its business into three separate units based on the products and services offered – the Directors and Executive Management of the company review the results on this basis.

The three reportable business segments of the Group are:

- **Site Skills Training** which delivers vocational training and assessment services through four training facilities located at Perth, Gladstone, Darwin and Landsborough. At these locations our experienced team assesses, up-skills and trains industry experienced candidates in the mining and processing, oil and gas, construction, camp services, hospitality and logistic sectors.
- **Site WorkReady** delivers “ready to work” international employees through an end to end service utilising the training and assessment facility at Clark Freeport Zone. Working closely with their clients, the Site WorkReady team identify workers, complete assessment services and develop appropriate training. Employment candidates receive instruction in English, workplace health and safety systems as well as employer orientation training to support their transition to employment.
- **Site Skills Training - Clark Freeport Zone (CFZ)** operates a 300,000m<sup>2</sup> facility at Clark Freeport Zone in the Philippines allowing the company to deliver Australian standard training in a low cost and controlled environment. This facility has the capacity to complete large scale residential training programs customised to meet client specific requirements.

Management monitors the operating results of its business units separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit/loss consistent with the operating profit/loss in the consolidated financial statements. Group financing and corporate overheads are managed on a group basis and not allocated to operating segments. Transfer prices between the operating segments are on an arm's length basis in a manner similar to transactions with third parties.

#### 4 Segment information continued...

##### Half Year ended 31 December 2013

	Site Skills Training	Site WorkReady	Site Skills Training CFZ	Total Segments	Corporate and Eliminations	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Sales revenue - External customer	5,390,396	288,014	1,953,661	7,632,071	675	7,632,746
<b>Total segment revenue</b>	<b>5,390,396</b>	<b>288,014</b>	<b>1,953,661</b>	<b>7,632,071</b>	<b>675</b>	<b>7,632,746</b>
<b>Segment net operating profit/ (loss) after tax</b>	<b>(117,071)</b>	<b>(394,442)</b>	<b>(702,728)</b>	<b>(1,214,242)</b>	<b>(1,429,767)</b>	<b>(2,644,009)</b>
Interest revenue	-	-	1,678	1,678	17,168	18,846
Interest expense	(3,124)	(3)	-	(3,127)	(4,367)	(7,494)
Depreciation	(280,973)	(477)	(278,116)	(559,565)	(113,090)	(672,656)
Income tax expense	(1,744)	-	-	(1,744)	-	(1,744)
<b>Statement of Financial Position</b>						
Segment assets	5,305,125	101,730	6,356,794	11,763,649	1,570,728	13,334,377
Segment liabilities	867,661	35,739	2,185,125	3,088,525	1,612,388	4,700,912

##### Half year ended 31 December 2012

	Site Skills Training	Site WorkReady	Site Skills Training CFZ	Total Segments	Corporate and Eliminations	Total
	\$	\$	\$	\$	\$	\$
Revenue						
Sales revenue - External customer	3,159,322	1,719,490	1,328,554	6,207,366	-	6,207,366
Sales revenue - Inter-segment	-	-	488,865	488,865	(488,865)	-
<b>Total segment revenue</b>	<b>3,159,322</b>	<b>1,719,490</b>	<b>1,817,419</b>	<b>6,696,231</b>	<b>(488,865)</b>	<b>6,207,366</b>
<b>Segment net operating profit/ (loss) after tax</b>	<b>(1,082,351)</b>	<b>115,555</b>	<b>(716,035)</b>	<b>(1,682,831)</b>	<b>(1,714,607)</b>	<b>(3,397,438)</b>
Interest revenue	-	-	-	-	16,085	16,085
Interest expense	-	-	-	-	(54,698)	(54,698)
Depreciation	(272,310)	-	(325,860)	(598,170)	(121,360)	(719,530)
<b>Statement of Financial Position</b>						
<b>as at 30 June 2013</b>						
Segment assets	4,095,621	469,229	6,447,774	11,012,624	2,458,376	13,471,000
Segment liabilities	885,229	115,107	1,975,922	2,976,258	240,645	3,216,903

#### 4 Segment information continued...

<b>Reconciliation of loss</b>	Half Year Ended 31-Dec-13 \$	Half Year Ended 31-Dec-12 \$
Segment loss	(1,214,242)	(1,682,831)
Head office occupancy costs	(106,799)	(100,983)
Corporate employee benefits including Directors	(796,094)	(801,221)
Legal, accounting and other professional fees	(181,127)	(225,458)
Travel costs	(61,256)	(134,512)
Other corporate costs	(284,491)	(452,433)
<b>Group loss</b>	<b>(2,644,009)</b>	<b>(3,397,438)</b>

#### 5 Issued Capital

Issued capital as at 31 December 2013 amounted to \$36,723,347 (339,855,904 ordinary shares) (30 June 2013: \$36,148,564 (330,700,034 shares)).

During the period the following movements in contributed equity occurred.

<b><i>Movement in ordinary shares on issue</i></b>	<b>No. Shares</b>	<b>\$</b>
<b>30 June 2012 share capital</b>	229,563,482	25,362,928
Share issue – 4 July 2012	32,908,270	3,446,992
Share issue – 4 July 2012	5,750,000	-
Share issue – 31 July 2012	8,091,681	971,002
Share issue – 27 September 2012	1,343,101	220,000
Share issue – 27 September 2012	750,000	-
Share issue – 5 October 2012	27,213,450	3,265,614
Share issue – 6 November 2012	138,130	22,626
Transaction costs relating to capital raising	-	(345,071)
<b>31 December share capital</b>	<b>305,758,114</b>	<b>32,944,091</b>
Share issue – 5 April 2013	24,941,920	3,367,159
Transaction costs relating to capital raising	-	(162,685)
<b>30 June 2013 share capital</b>	<b>330,700,034</b>	<b>36,148,564</b>
Share issue – 2 August 2013	3,000,000	-
Share issue – 6 September 2013	4,650,000	-
Share issue – 13 November 2013	2,835,870	382,842
Share issue – 13 November 2013	300,000	-
Share Buy-back – 19 November 2013	(6,630,000)	-
Share issue – 6 December 2013	2,000,000	270,000
Share issue – 6 December 2013	3,000,000	-
Transaction costs relating to capital raising	-	(78,059)
<b>31 December 2013 share capital</b>	<b>339,855,904</b>	<b>36,723,347</b>



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## 5 Issued Capital continued...

- On 4 July 2012 the company completed the issue of 32,908,270 shares under a private placement of shares at \$0.12 per share in addition 5,750,000 shares were issued to Directors and certain contractors under terms similar to the Employee Share Plan.
- On 31 July 2012 the company completed the issue of 8,091,681 shares under a Share Purchase Plan with an issue price of \$0.12 cents per share.
- On 27 September 2012 under the terms of the acquisition agreement for Axis Training Group Pty Ltd, the company issued 1,343,101 shares to the vendor shareholder at the issue price of \$0.1638 per share in addition 750,000 shares were issued at nil consideration and escrowed for certain employees of Axis to be awarded on the completion of milestone performance requirements.
- On the 5 October 2012, following approval of shareholders at the Annual General Meeting, the company issued 27,213,450 shares (being a significant portion of the SPP issue shortfall) at a price of \$0.12 per share.
- On 6 November 2012 in accordance with the agreement for the acquisition of Axis Training Group Pty Ltd the company issued the vendor shareholder an additional 138,130 shares at an issue price of \$0.1638 per share representing the value of the improved working capital position over the agreed balance sheet position specified in the contract.
- On 5 April 2013 the company issued 24,941,920 shares under a private placement at \$0.135 per share.
- On 2 August 2013 the company issued 3,000,000 sign on and bonus shares at no cost to employees in lieu of cash based remuneration and allowing management to participate in the growth of Site Group International Limited as shareholders.
- On 6 September 2013 4,650,000 shares were issued under the Employee Share Plan. For accounting purposes the nature of the share plan results in the shares being valued as if they were options with a result that the issue price of \$0.20 per share will not be recorded until the conditions of issue are satisfied.
- On 13 November 2013 following approval at the Annual General Meeting, the company issued 2,835,870 shares to the Chairman and CEO at \$0.135 per share as part of their participation in the placement completed on 5 April 2013.
- On 13 November 2013 following approval at the Annual General Meeting, the company issued a further 300,000 shares under the Employee Share Plan as per the issue on the 6 September 2013.
- On 19 November 2013, the company completed a buy-back of shares issued under the Employee Share Plan and sign on shares forfeited by employees when they resigned from the group.
- On 6 December 2013 under the terms of the acquisition agreement for Romea Consulting Pty Ltd, the company issued 2,000,000 shares to the vendor shareholder at the issue price of \$0.135 per share. In addition 3,000,000 shares were issued at nil consideration and escrowed for certain employees of Romea to be awarded on the completion of milestone performance requirements.

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## 6 Business Combinations

On 6 December 2013, the Group acquired 100% of the shares in Romea Consulting Pty Ltd (Romea) a business that provides training and assessment services in energy related skills training. The acquisition has been accounted for using the acquisition method. The acquisition date fair value of the acquired business is preliminary and may be adjusted as a result of obtaining a formal valuation within 12 months in accordance with AASB 3 Business Combinations.

The provisional fair value of the identifiable assets and liabilities of Romea Consulting Pty Ltd as at the date of acquisition was:

	<b>Fair value recognised on acquisition</b>
	<b>\$</b>
<b>Assets</b>	
Debtors	53,754
Property, plant and equipment	50,088
Intangibles – intellectual property including training materials	1,019,096
	<b>1,122,938</b>
<b>Liabilities</b>	
Bank overdraft	44,227
Trade and other payables	106,053
Provisions	26,185
	<b>176,465</b>
Provisional fair value of identifiable net assets	<b>946,473</b>
<b>Acquisition date fair value of purchase consideration transferred:</b>	
Shares in Site Group International Limited, at fair value	270,000
Cash paid	676,473
<b>Total purchase consideration</b>	<b>946,473</b>
Net cash acquired with the subsidiary	(44,227)
Cash paid	(676,473)
<b>Net cash outflow</b>	<b>(720,700)</b>

From the date of acquisition (6 December, 2013), Romea Consulting Pty Ltd has contributed \$16,448 of revenue and \$13,226 of net loss before tax to the Group. The company cannot reliably estimate what the contribution to revenue or to the result would have been if the combination had occurred at the beginning of the period, however note any contribution would not be material to the Site Group International consolidated result.

Transaction costs associated with the acquisition of Romea of \$12,178 have been expensed and are included in other expenses in the statement of comprehensive income and are part of operating cash flows in the statement of cash flows.

In addition 3,000,000 shares were issued to certain employees of Romea for nil consideration. These shares have a market value of \$405,000 and are escrowed for 3 years subject to the completion of milestone performance requirements.

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## 7 Related Party Transactions

### (a) The Group's main related parties are as follows:

- i. **Entities exercising control over the Group:**  
The ultimate parent entity, which exercises control over the group, is Site Group International Ltd which is incorporated in Australia.
- ii. **Key Management Personnel:**  
Any person(s) having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director (whether executive or otherwise) of that entity are considered key management personnel.

### (b) Transactions with related parties:

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

### (c) Loans from related parties:

	31-Dec-13 \$	30-Jun-13 \$
Interest bearing loan – Wayburn Holdings Pty Ltd	500,000	-
Interest paid for the period – Wayburn Holdings Pty Ltd	1,950	70,466

On 3rd May 2012 Wayburn Holdings Pty Ltd, a company associated with Managing Director and CEO Mr Vernon Wills established an unsecured loan facility for \$2.0 million. The interest rate of 7.5% per annum on the drawn component calculated and credited monthly. The facility was for a 12 month term and was repaid by the company prior to 30 June 2013. Interest charged on the loan was \$70,466 to 30 June 2013. On 5 February 2014, the company renewed this facility with Wayburn Holdings Pty Ltd on the same terms to 31 August 2015.

In December 2013 the company drew down \$500,000 from the loan facility. The balance was repaid in full on 13 January 2014.

## 8 Property, Plant and Equipment

During the six months ended 31 December 2013, the group acquired assets with a cost of \$423,439 (2012: \$1,157,795) excluding property, plant and equipment acquired through a business combination (see note 6).

## 9 Subsequent events

On 13 January 2014, the company issued 33,495,590 fully paid ordinary shares under the Company's Non-Renounceable Entitlement Offer announced on 20 November 2013. The offer raised \$4,687,983 before issue costs. At the completion of the offer there are 373,341,494 ordinary shares on issue.

On 30 January 2014, the company announced an agreement to acquire TESOL Asia Group, which offers a conglomerate of platforms to access the market for Teaching English to Speakers of Other Languages (TESOL) in the form of journals, conferences and online and classroom based resources.