

ASX/NEWS RELEASE – OTC



31 July 2013

QUARTERLY REPORT TO 30 JUNE 2013

- **Receipts from customers for the quarter of \$33.7 million (\$129.9 million for FY 2013)**
- **Strong operating cashflow and improved cash position**
- **Positive earnings guidance for FY2013**
- **Both OTOC Australia and Whelans continue to win new work**
- **Expanded Facilities Division and recurring revenue base**
- **Strong order book and opportunity pipeline highlighted by committed contracts within the resources and government sectors**

OTOC Limited (ASX code: OTC) is pleased to report its quarterly cash flows for the three months ended 30 June 2013 in the attached Appendix 4C.

Cash receipts from customers during the quarter were \$33.7 million, an increase of 31% over the March quarter (March quarter: \$25.8 million). Quarterly operating cashflow of \$2.0 million represented an increase of 144% over the March quarter result of \$0.8 million.

The Company has a strong cash and liquidity position, with cash at the end of the quarter of \$3.9 million (March quarter: \$2.8 million).

EARNINGS GUIDANCE

During the quarter, OTOC announced that it expects FY2013 EBIT to exceed FY2012 EBIT of \$7.2 million.

OTOC is pleased to report growth in earnings despite generally weaker conditions in the resources sector. This growth is a direct result of the Company's efforts to diversify its revenue base, including via the entry into the government sector with the Nauru contract and the expansion of OTOC's facilities and communications division.

OTOC expects to announce financial results on 30 August 2013.

CONTRACT AWARDS

OTOC Australia

During the quarter OTOC Australia was awarded a formal contract for Stage 1 of the Nauru Processing Centre, a 900 person facility. This contract is for an initial amount of \$28.7 million and provides OTOC with a platform to target further government-sponsored construction work at Nauru and elsewhere.

In Resources Construction, OTOC Australia is carrying out the installation of accommodation units and ancillary services at Brockman 4, part of Rio Tinto's Nammuldi project.

During the quarter OTOC Australia priced a number of new projects and views positively the opportunities in the north-west WA resources market as some competitors reduce their exposure due to the lower level of industry activity. Growing the Remote Communications Division will be a key focus for OTOC in the coming year.

Whelans

Whelans Australia has been awarded contracts totalling \$4.3 million for Survey Services and Aerial Acquisition works.

Whelans Australia has been engaged by SKM to provide Survey Services for the Rio Tinto Iron Ore (RTIO) Expansion Project at Cape Lambert Port B. This contract award continues Whelans' strong track record of working effectively for tier one resources companies and government departments.

The Aerial Mapping work involves capturing aerial imagery throughout Western Australia for LandGate and will be performed by the Whelans/Aerodata International Surveys joint venture. Whelans is greatly encouraged by the large number of opportunities that have been identified by the joint venture.

FACILITIES DIVISION

OTOC has expanded its Facilities Division via the acquisition of full ownership of a 700 person commercial kitchen/diner facility. OTOC Australia acquired the remaining 50% interest in this facility for \$2.0 million. Following the acquisition, the Facilities Division is expected to generate EBITDA of approximately \$1.7 million in the financial year ending 30 June 2014.

The expansion of the Facilities Division is consistent with OTOC's strategy of growing its recurring revenue base.

OTOC's CEO, Mr Adam Lamond said: "OTOC is pleased to record strong performance in the June quarter which culminates a busy and successful year for the group. OTOC enters FY2014 with a strong and diversified order book and pipeline of opportunities, with a strengthened balance sheet to capitalise on our growth plans."

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 and remote area infrastructure for government, mining and oil and gas projects. OTOC Australia has a successful track record of delivering turnkey infrastructure solutions for blue-chip clients including BHP Billiton, Rio Tinto and FMG.

Whelans is a leading consultancy in the provision of surveying, aerial surveys and town planning, with a focus on the resources sector. Whelans has 160 professional staff operating from offices in Perth, Karratha, Broome, Kununurra and Kalgoorlie.

For further information please contact

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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

OTOC Limited

ABN

80 122 958 178

Quarter ended ("current quarter")

30 June 2013

Consolidated statement of cash flows

Cash flows related to operating activities	Current quarter \$A'000	Year to date (12 months) \$A'000
1.1 Receipts from customers	33,681	129,920
1.2 Payments for (a) staff costs	(15,910)	(56,240)
(b) advertising and marketing	-	-
(c) research and development	-	-
(d) leased assets	-	-
(e) other working capital	(15,579)	(63,635)
1.3 Dividends received	-	-
1.4 Interest and other items of a similar nature received	-	-
1.5 Interest and other costs of finance paid	(173)	(916)
1.6 Income taxes paid	-	-
1.7 Other (provide details if material)	-	-
Net operating cash flows	2,019	9,129

+ See chapter 19 for defined terms.

Appendix 4C
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admitted on the basis of commitments

	Current quarter \$A'000	Year to date (12 months) \$A'000
1.8 Net operating cash flows (carried forward)	2,019	9,129
Cash flows related to investing activities		
1.9 Payment for acquisition of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	(903)	(5,278)
(e) other current assets – term deposits	-	(402)
1.10 Proceeds from disposal of:		
(a) businesses (item 5)	-	-
(b) equity investments	-	-
(c) intellectual property	-	-
(d) physical non-current assets	117	237
(e) other – discontinued operations	-	(540)
1.11 Loans to other entities	-	-
1.12 Loans repaid by other entities	-	-
1.13 Other (cash balance acquired from business acquisition)	-	-
Net investing cash flows	(786)	(5,983)
1.14 Total operating and investing cash flows	1,233	3,146
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	1,044	2,005
1.18 Repayment of borrowings	(1,195)	(5,195)
1.19 Dividends paid	-	-
1.20 Other (provide details if material)	-	-
Net financing cash flows	(151)	(3,190)
Net increase (decrease) in cash held	1,082	(44)
1.21 Cash at beginning of quarter/year to date	2,836	3,962
1.22 Exchange rate adjustments to item 1.20		
1.23 Cash at end of quarter	3,918	3,918

+ 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	(140)
1.25	Aggregate amount of loans to the parties included in item 1.11	-

1.26 Explanation necessary for an understanding of the transactions

Executive and non-executive Director remuneration.

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

n/a

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

n/a

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	-	-
3.2	Credit standby arrangements	13,000	7,057

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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	3,918	2,836
4.2 Deposits at call	-	-
4.3 Bank overdraft	-	-
4.4 Other (provide details)	-	-
Total: cash at end of quarter (item 1.23)	3,918	2,836

Acquisitions and disposals of business entities

	Acquisitions (Item 1.9(a))	Disposals (Item 1.10(a))
5.1 Name of entity	n/a	
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:

Date: 31 July 2013

Print name: Brian Mangano - Chief Financial Officer

+ See chapter 19 for defined terms.

Notes

1. The quarterly report provides a basis for informing the market how the entity's activities have been financed for the past quarter and the effect on its cash position. An entity wanting to disclose additional information is encouraged to do so, in a note or notes attached to this report.
2. The definitions in, and provisions of, *AASB 107: Statement of Cash Flows* apply to this report except for any additional disclosure requirements requested by AASB 107 that are not already itemised in this report.
3. **Accounting Standards.** ASX will accept, for example, the use of International Financial Reporting Standards for foreign entities. If the standards used do not address a topic, the Australian standard on that topic (if any) must be complied with.

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