

31 August 2016

FY2016 FULL YEAR RESULTS

Results Summary

- Revenue from continuing operations up 20.4% to \$17.8m
- Full year loss of \$1.6m
- Net cash at 30 June 2016 of \$1,338,000

Operational Summary

- Increased investment in international marketing of EnviroSuite
- Momentum in international sales of EnviroSuite
- Streamlined executive management
- Restructured consulting and services to improve profitability

Pacific Environment Limited (ASX:PEH, “The Company”) today released the Annual Report for the Group for the 2016 Financial Year. A summary of the results is below:

	2016 \$'000	2015 \$'000	Variance to prior year	
			\$'000	%
Operating revenue	17,832	15,910	1,922	12
Revenue – continuing operations	17,832	14,805	3,027	20
Revenue – discontinued operations	-	1,105	(1,105)	(100)
Attributable (loss)/profit after tax	(1,606)	1,407	(3,013)	(214)
(Loss)/profit from continuing operations after tax	(1,606)	1,822	(3,428)	(188)
Loss from discontinued operations	-	(415)	415	(100)
Net margin (%)	(9%)	9%	-	(18)
Basic (loss)/earnings per share (cents)	(1.1)	1.3	(2.4)	(184)
Net operating cash inflows	774	929	(155)	(17)

FY16 has been a year of transition for Pacific Environment with increasing focus and investment in the Group’s world class EnviroSuite technology platform. This increased investment has offset the underlying profitability of the Consulting Group.

This investment is being rewarded with a number of landmark sales during 2016 including Thames Water (UK), the large Correjon coal mine (Colombia), mines in Indonesia and Australia, and the first water-oriented application, along with a growing pipeline of opportunities and strong interest in EnviroSuite from potential reseller partners.

The Group has moved to consolidate the Consulting arm of the business through the closure of unprofitable offices and a flattening of the management structure through redundancies and reorganisation. Strong leadership and an emerging recovery is assisting the restructured consulting and services businesses to exploit new opportunities across a range of sectors including resources, waste, infrastructure and health.

Sydney

Melbourne

Brisbane

Adelaide

Perth

The new General Manager Australasia has been tasked with unifying the entire Group in support of the Group's EnviroSuite technology in order to maximise sales of the platform in FY17.

The primary objective for the year ahead is the growth in sales of the EnviroSuite platform. The board and management are focused on several key initiatives that present step change opportunities to achieve this. The steps taken in FY16 include preparation for the opening of sales offices in the US and Europe, increased presence in relevant global conferences, and addressing approaches from a number of international partners capable of assisting in the globalisation of the EnviroSuite platform. FY17 will see focus on making significant progress from these foundation steps, with the primary objective of increasing sales.

Growing international interest in the world-leading software platform is now translating to reseller agreements and MoUs with significant companies in the broader engineering and environmental services sectors.

Robin Ormerod, Managing Director of Pacific Environment, said :

"We are hugely excited about the growth potential of our world class EnviroSuite SaaS platform. We are also focused on ensuring our Australian environmental consulting business continues on a trajectory of improved profitability to support the growth of the Group. We look forward to exploiting the significant opportunities facing the Group in FY17".

For further information, please contact:

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