



ASX ANNOUNCEMENT

VDM GROUP LTD COMPANY UPDATE

Perth, 29 August 2013: VDM Group Ltd (ASX: VMG; "VDM" or "the Company") will shortly announce its results for the 2013 financial year and provides this explanatory note of the result.

VDM will be reporting a statutory Net Loss after Tax of \$84.4m for the full year against a loss of \$60.1 million for the six months ended 31 December 2012. In our announcement on the 27th August 2013 we advised that the Company was in dispute with a major customer and had been removed from site.

As a consequence of the dispute and in accordance with Australian Accounting Standards the Company has not recognised the value of works performed prior to its removal from site for which it remains unpaid.

VDM's operating result for H2 FY2013 was adversely impacted by the non-recognition of revenue on this construction project and the majority of the H2 loss of \$24.3m is related to this.

The Company is seeking resolution to this matter and will pursue the unapproved claims and variations for this project. All amounts recovered from this project will be earnings and cashflow accretive for the Company in the period they are recovered.

For further information please contact:

Mr Michael Perrott AM
Chairman and Acting Chief Executive Officer
(08) 9265 1100

An Appendix 4E, will be lodged on 30 August 2013.

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BOARD & MANAGEMENT

Mr Michael Delany Perrott AM
CHAIRMAN & ACTING CHIEF
EXECUTIVE OFFICER

Dr Dongyi Hua
NON-EXECUTIVE DIRECTOR

Mr Barry Nazer
NON-EXECUTIVE DIRECTOR

Mr Michael Fry
NON-EXECUTIVE DIRECTOR

Mr Richard Mickle
NON-EXECUTIVE DIRECTOR

Mr Xiangyang Ru
NON-EXECUTIVE DIRECTOR

Mrs Samantha Drury
CHIEF FINANCIAL OFFICER
COMPANY SECRETARY

REGISTERED OFFICE

Level 2
27-31 Troode Street
West Perth, WA 6005

POSTAL ADDRESS

Locked Bag 109
West Perth, WA 6872

CONTACT DETAILS

Tel: (08) 9265 1100

WEBSITE

vdmgroup.com.au

SHARE REGISTRY

Computershare Investor
Services Pty Limited
GPO Box 2975
Melbourne, VIC 2975
Tel: 1300 850 505

ASX CODE

VMG

About VDM Group

VDM is an engineering and construction company that services the mining and resources, transport and civil infrastructure and urban development sectors. VDM's highly skilled engineers develop innovative technical solutions for clients and deliver projects that are cost effective, reliable and sustainable.