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Southampton
 Singapore
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30 July 2010

The Manager
 Company Announcements
 Australian Securities Exchange
 4th Floor
 20 Bridge Street
 SYDNEY NSW 2000

Dear Sir,

RE: Fourth Quarter 2010 Update – Group estimated full year net profit up 242% on 2009

Perth WA - ISS Group Limited (ASX:ISS) is pleased to provide an update for the fourth quarter of trading to 30 June 2010, as well as preliminary end of financial year results. ISS Group has performed strongly, particularly given the subdued demand for IT services that persisted for most of the year in the resource markets. Based on the unaudited full year figures, the Group's estimated revenue is up slightly and estimated net profit well up at 242% on last year's figures.

As prefaced for each quarterly update, readers should note the numbers contained in this report are headline management account numbers only and are subject to audit. They are provided as part of the Company's quarterly market updates only. The final full year report will be issued following audit finalisation of the results.

Readers should also be aware that given the nature and scale of contract revenues, we caution that significant variations may exist between individual quarterly results and in the comparative results, further, results may vary from previously reported numbers reflecting accounting treatments and the impact of currency fluctuations and audit requirements.

	Q4 10 '000	Q4 09*	FY 10 '000	FY 09*	% change 09 to 10
Revenue – Operating	4,158	3,419	18,727	18,275	+2%
Cost of Sales (labour)	(2,806)	(3,318)	(11,222)	(14,108)	-20%
Gross Profit	1,352	101	7,505	4,167	+80%
Selling, General & Admin	(971)	(1,372)	(3,277)	(4,621)	-29%
Foreign Exchange Gain (Loss)	417	(926)	(519)	(338)	-53%
Amortisation and depreciation *	(112)	(155)	(423)	(466)	-9%
Share based expense	0	(268)	0	(1,266)	
Other income	5	199	46	316	
Profit Before Tax	691	(2,421)	3,331	(2,208)	+251%
Income tax credit (expense)	40	(751)	927	(785)	
Net Profit – Management Accounts	731	(3,172)	4,258	(2,993)	+242%
Basic Earnings Per Share - cents			3.1 cents	(2.4 cents)	

* 2009 comparatives exclude the year end accounting write off of goodwill - \$8.1 million, to provide an operating profit comparison of results.

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Evaluating Q4 results specifically; revenues were up 21% and profit is positive at AUD \$731 thousand. This increase reflects the focus ISS has placed on reducing costs over the last year.

While Asia is still a significant contributor to the Group's performance, other regions including Australia have provided a solid income stream for Q4. All regions have started to experience an increase in enquiries and as a result, an increase in sales activity. Gross profit for the quarter experienced a sharp rise to \$1.35 million, benefited by retention contract payments and maintenance income billed during the quarter.

The gross profit margin for the year is beginning to return to pre GFC levels as a result of improved margins and tighter fiscal controls on overheads. The gross profit margin for the year was 40% (2009 – 23%) and for Q4 was 32.5% (2009 Q4 – 3%).

Foreign currency changes provided a positive result for this quarter of \$417,000 however the group has still recorded an unrealized exchange loss of \$519,000 for the FY ending June 2010 (2009 – loss \$338,000).

The Group's net working capital has improved over the last quarter to \$9.6 million, an increase of \$0.6 million on Q3 (\$9.0 million at 31 March 2010).

Branch Activities:

Australia

Despite the tough environment created by the GFC and proposed resources 'Super Tax', the Australian branch is starting to see an increase in activity in all areas. Existing customers are generating improved demand as they look at upgrading, or expanding their use of the Group's products. The branch has delivered an increase in both revenue and profit for the year.

Asia

The office has shown a good profit for the year and continues to be the main growth region for the group. In the previous quarter the Singapore office responded to multiple Request for Proposals in its region, while the decision and approval processes remain onerous several of these are becoming reality with contract negotiations expected in the next quarter.

Europe

The Group's European office has delivered a profit for the full year. The region continues to be subdued with the European economy still struggling. Although uncertainty remains, we believe that some demand for investment in industry will begin to materialize in the new financial year. The focus at this time is to establish contacts and position the Group for these opportunities. Europe is focusing on its existing clients as well as further opportunities such as KBC partnership activities in refining.



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Americas

Work continues in supporting the Schlumberger partnership as well as KBC and working on opportunities with them. The partnership model is being expanded in this region with the view of establishing a significant presence in South America.

General:

The partnerships implemented over the last 12 months including KBC and ISS South Africa, are starting to bear fruit. Both partners have delivered sales with a power distribution vertical in South Africa, and KBC a contract with a Turkish refinery. Other partnerships are being considered in key regions and market verticals that will extend the Group's reach without significantly increasing its costs base. Expansion and improved quality of delivery within existing customers is being pursued in all regions.

Summary:

The Board is pleased with the results achieved in what has been a tough global market. The results reflect a company with strong prospects and the ability to continue to grow and develop during the tougher times and well into the future. The Group's focus is, and will continue to be, on growing sales in all regions. ISS Group's financial health remains robust with net working capital of \$9.6 million. The improvement in profit (net and gross) is a reflection of tight fiscal management, and a clear focus on delivering sales and positioning ISS Group as a strong and viable organization in the solutions market.

The Board is currently exploring the most efficient manner in which to provide a financial distribution to shareholders given the improving financial results and the strong cash position. An announcement in this regard will be made at the time of releasing the audited year end financial statements.

Yours sincerely

Shane Attwell
Managing Director
ISS Group Limited

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ISS Group Limited. ACN: 109 443 852
Unit 1, 40 Hasler Road, Osborne Park, Western Australia 6017
T +61 8 9241 0300 F +61 8 9242 8121
www.issgroup.com.au



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About ISS Group Limited:

ISS Group delivers software solutions to the global energy, minerals and manufacturing industries. ISS Group was established in 1995 and listed on the ASX in 2004. The Company has offices in Australia, US, Europe, Africa and Asia and has a blue chip client base including BHP Billiton, Woodside, Rio Tinto, Saudi Aramco, Shell, BG Group, BP, Petronas & Mars SnackFood.

The company's flagship product BabelFish™ is a powerful interface through which companies can aggregate their many disparate real-time systems to provide a single holistic view of their complex processes and operations.

Please visit the ISS Group website www.issgroup.com.au for further information.

For further information contact:

Frank Zenke
General Manager
ISS Group Limited
+61 8 9241 0300
frank.zenke@issgroup.com.au

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