

17 July 2018

Company Announcements Office
ASX Limited
Level 4, 20 Bridge Street
Sydney NSW 2000

EGL Market update

The Board of The Environmental Group Limited (ASX: EGL) is pleased to announce that Baltec IES has signed a major contract with a Chinese customer, its first in this important region. This \$7M AUD contract reflects EGL's expanded geographical focus which was outlined in the three-year strategic plan. This contract represents the culmination of over 18 months' protracted negotiations. This contract, along with work won in June and July, marks a positive start for Baltec IES for the new financial year. Revenue from these projects is expected to impact Q2 and Q3 of FY19.

The current level of business in TAPC remains unsatisfactory however the previously reported decision to engage specialist Business Development Managers supported by increased management focus has significantly improved tender volumes and pipeline potential.

Based on unaudited management accounts, The Board is pleased to advise that the actions outlined in the February half year report have had a favourable impact on the anticipated results for the full financial year. The second half results are expected to be broadly in line with the \$1M achieved in the first half.



Lynn Richardson
Chairman
The Environmental Group Limited