



9<sup>th</sup> August 2006

Media Release

### **Dexion Limited Interim Results (six months to 30<sup>th</sup> June 2006)**

Dexion Limited, Australia's leading storage solutions and equipment supplier, today announced a net profit after tax of \$3.2m for the six months ended 30<sup>th</sup> June 2006, up 24% on the same period last year.

Brent Fuller, Managing Director of Dexion Limited commented, "This is a pleasing result and demonstrates that the Company continues to satisfy its customers and assist them to benefit from business investment on warehousing and supply chain improvements.

The Logistics Division had strong sales growth and continues to be successful in winning new orders. The newly formed Office Division has made good progress following the acquisition of Spacemaster in January," Mr Fuller said.

The Board declared an interim dividend of 3.5 cents per share, fully franked. The record date for the interim dividend is 7th September 2006, and the dividend is payable on the 20<sup>th</sup> September 2006.

Highlights from the interim results are:

- Sales revenue up by 29% to \$77m;
- Net profit after tax up by 24% to \$ 3.2m;
- Acquisition of Spacemaster Office Systems;
- Relocation of Logistics and Office Divisions to new leasehold premises;
- Capital expenditure totalling \$3.6m;
- Gearing of 20% with net debt of \$4m;
- Fully franked interim dividend of 3.5 cents per share.



## Financial Overview

(For the six months to 30th June 2006)	Segment Revenue		Segment EBIT	
	2006 \$M	2005 \$M	2006 \$M	2005 \$M
Australia	67.4	50.2	4.2	2.8
Asia	11.8	10.4	0.6	0.7
<b>Total</b>	<b>79.2</b>	<b>60.6</b>	<b>4.8</b>	<b>3.5</b>

Sales for the period totalled \$77m an increase of \$17m on the prior period. The sales increase was predominately in the Logistics Division. A slower rate of growth of overheads improved EBIT margins to 6.1% compared to 5.8% in the prior comparable period.

Capital expenditure during period totalled \$3.5m consisting of:

Plant and equipment	\$1.3m
New premises	\$1.1m
Acquisition of Spacemaster	\$1.1m

The capital expenditure has been funded by lease incentives to the extent of \$0.6m.

Working capital closed at \$9.2m consistent with average levels during the period. Net debt averaged \$5m during the period.

Cash flow from operating activities totalled \$3.7m an improvement of \$8.6m on the prior comparable period. The tax expense increased to 27% from 25% as the prior period benefited from carry forward tax losses.

## Operational Review

During the period the Logistics Division made significant progress on contracts in retail distribution, document storage and third party logistics.

In January the Logistics Division co-located with its systems partner Dexion Integrated Systems Pty Limited (DIS) in new premises in the North Ryde Riverside Corporate Park in Sydney. Dexion has a long term exclusive commercial agreement with DIS, (which is an independent company).

The Office Division represents a new strategic initiative for Dexion. Following the acquisition of Spacemaster Office Systems in January the business quickly moved to integrate the new acquisition with Dexion's existing office products business. The business



relocated in March to new premises in Lane Cove. The whole business is now operating on Dexion's common ERP system.

The Office Division was able to improve sales to \$9.4m from \$2.9m in the prior period. On a like for like basis the prior period sales would be \$4.5m.

Revenue in Asia was \$10.6m up slightly on the prior period. Earnings were down in the period from \$660k to \$606k. Demand from the Middle East remains strong. The Company anticipates opening an office in Dubai in the 4<sup>th</sup> quarter this year.

## **Outlook**

As at the half year the order bank stood at \$75m up from \$69m at the start of the year. Capacity utilization remains high in both manufacturing facilities. Enquiry level is good and the Company expects the full year earnings to be approximately 20% up on 2005.

"The Company continues to analyse acquisition opportunities in its core areas of activity" said Managing Director Brent Fuller.

Dexion manufactures in Australia and Malaysia. The scope of its business is the provision of storage and materials handling equipment and systems and office storage equipment and records management systems. While it listed on the ASX in April 2005, the Company and Dexion brand have a 60 year history.

## **Financial Summary**

<b>(For the six months to 30th June 2006)</b>	<b>2006</b>	<b>2005</b>	<b>% change</b>
Sales revenue (\$m)	77.2	59.9	28.8
Earnings before interest, tax and depreciation (EBITDA (\$m))	5.5	4.4	25.0
Earnings before interest and tax tax (EBIT (\$m))	4.7	3.5	34.3
Net interest costs (\$m)	0.2	0.1	100.0
Tax expense (\$m)	1.2	0.8	50.0
Net profit after tax (\$m)	3.2	2.6	24.1
Earnings per share (cents)	6.0	4.9	24.0
Total dividend per share (cents - fully franked)	3.5	1.0	250.0

### **Enquiries please contact:**

#### **Dexion Limited**

Brent Fuller -Managing Director  
Ph 02 9830 5000

Trefor Clayton – Finance Director  
Ph 02 9830 5000

