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**Result Presentation**

**Year ended 31 December 2006 (CY06)**

## CY06 Highlights

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- Revenue of \$187.1m – up by 43%
- NPAT of \$8.8m – up by 41%
- EPS of 16.2 cents – up by 39%
- Final dividend of 4.5 cents, fully franked (equating to a 51% payout ratio)
- Four acquisitions during CY06:
  - Spacemaster Office Systems – \$1.1m (Jan 2006)
  - Capital Racking Systems – NZ\$10.5m (Sep 2006)
  - Dexion Integrated Systems – \$9m (Nov 2006)
  - Hamilton Perry Industries NZ – NZ\$17.5m, (effective Jan 2007)

## CY06 Profit

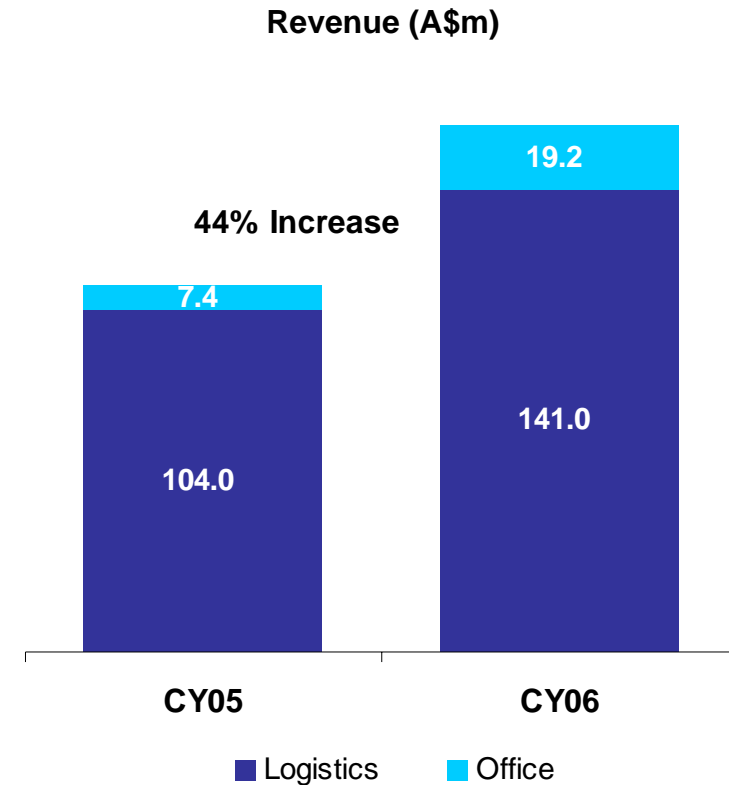
- Revenue increase of 43% in CY06
  - driven by growth across all business units
- Gross margin lower at 17.4%, primarily a result of:
  - an increased proportion of major logistics project sales
  - proportionately less sales via the (higher margin) distributor channel in Australia
- EBITDA and EBIT margins constant – reflecting scale efficiencies
- NPAT of \$8.8m was 41% above CY05

Y/End 31 Dec (\$m)	CY05	CY06	Change
<b>Sales revenue</b>	<b>131.0</b>	<b>187.1</b>	<b>42.9%</b>
Cost of sales	(106.6)	(154.6)	
<b>Gross profit</b>	<b>24.4</b>	<b>32.5</b>	<b>33.3%</b>
Other income	0.7	0.5	
Expenses	(16.1)	(20.0)	
<b>EBIT</b>	<b>8.9</b>	<b>13.0</b>	<b>45.2%</b>
Net interest	(0.4)	(0.7)	
<b>Profit before tax</b>	<b>8.5</b>	<b>12.3</b>	
Taxation	(2.3)	(3.5)	
<b>NPAT</b>	<b>6.3</b>	<b>8.8</b>	<b>40.5%</b>
<b>EBIT</b>	<b>8.9</b>	<b>13.0</b>	
Add: Depreciation	1.6	2.0	
<b>EBITDA</b>	<b>10.6</b>	<b>15.0</b>	
Gross margin	18.6%	17.4%	
EBITDA margin	8.1%	8.0%	
EBIT margin	6.8%	6.9%	

## Australia and New Zealand

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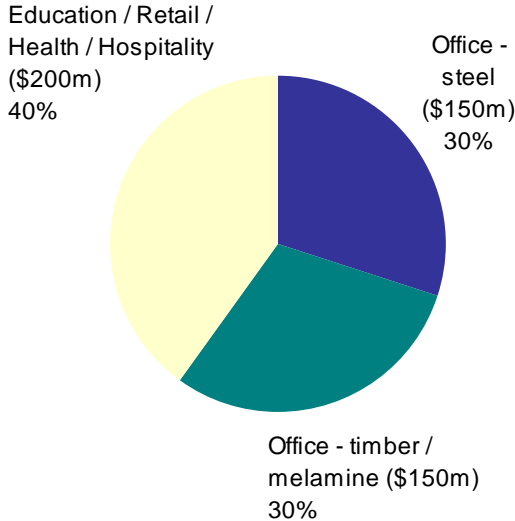
- Total revenue of \$160.2m – 44% increase on \$114.4m in CY05
- Logistics revenue – up 36% to \$141.0m
  - Major project sales were key driver
  - Key customers during the year included Bunnings, Coles, Linfox and Recall
  - Part-year contributions from Capital Racking (Sep) and DIS (Nov)
- Office revenue – up 159% to \$19.2m
  - Organic growth was the main driver
  - Spacemaster integration
  - DEX share of steel component of office storage segment now circa 13%
- Steel prices flat during the year



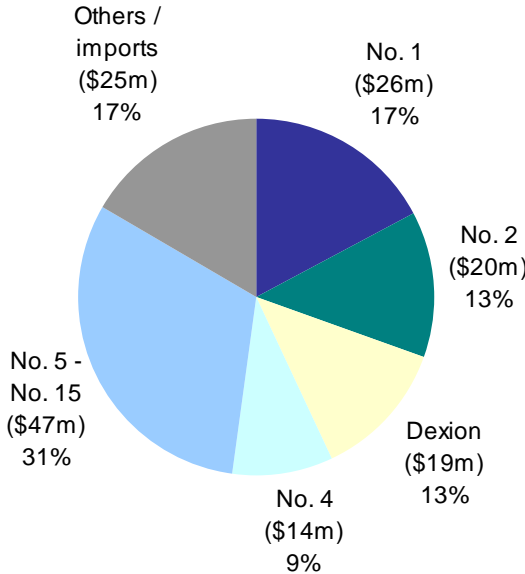
# Market overview of office storage

- Dexion estimate the total office storage market to be approx. \$300m, with the steel component of the office storage market estimated at \$150m

**Storage market by segment**



**Steel office market shares**



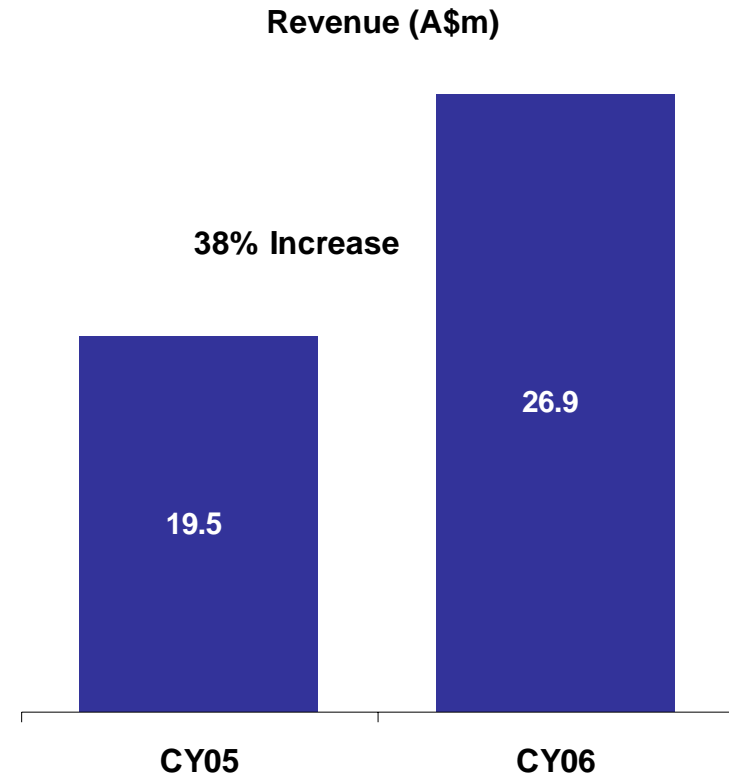
Notes:  
 1 Players in the No. 5 – No.15 segment have revenues in the range of \$1m to \$10m



## Asia

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- Total revenue of \$26.9m – 38% increase on \$19.5m in CY05
- Demand from Middle East remains strong - accounting for 37% of Asian sales
- Malaysian & Singapore markets represented 22% of Asian sales
- EBIT improved to \$1.6m from \$0.9m
- New manufacturing facility in Malaysia on-track for completion in mid CY08



## Cash Flow and Balance Sheet

### Cash Flow

Y/End 31 Dec (\$m)	CY05	CY06
<b>EBITDA</b>	<b>10.6</b>	<b>15.0</b>
Net interest / tax paid	(1.9)	(3.5)
Working capital / other	(7.9)	(9.0)
<b>Operating Cash Flow</b>	<b>0.8</b>	<b>2.5</b>
Capex / disposals	(2.1)	(4.1)
Acquisitions	0.0	(12.3)
<b>Investing Cash Flow</b>	<b>(2.1)</b>	<b>(16.4)</b>
Equity proceeds (net)	2.9	
Borrowings	3.9	16.7
Dividends	(7.0)	(3.8)
<b>Financing Cash Flow</b>	<b>(0.2)</b>	<b>13.0</b>
<b>Net Cash Flow</b>	<b>(1.5)</b>	<b>(1.0)</b>

- Capex of \$4.1m includes \$2.2m in the Kings Park factory and \$1.2m on leasehold improvements

### Balance Sheet

Y/End 31 Dec (\$m)	Dec'05	Jun'06	Dec'06
Reveivables	20.9	28.7	35.9
Inventories	11.7	14.3	14.8
Fixed assets	8.2	10.4	12.8
Intangibles	0.6	1.0	16.1
Other	6.6	6.4	6.0
<b>Total Assets</b>	<b>47.9</b>	<b>60.7</b>	<b>85.6</b>
Borrowings	6.1	7.2	22.9
Payables	24.8	33.7	34.6
Other	4.6	5.3	6.8
<b>Total Liabilities</b>	<b>35.4</b>	<b>46.2</b>	<b>64.3</b>
<b>Net Assets</b>	<b>12.5</b>	<b>14.5</b>	<b>21.3</b>
Net debt (cash)	2.2	4.0	20.1
Working capital	7.7	9.2	16.0

- Working capital increase reflects increased sales and requirements for CRS and DIS
- Intangibles increase driven by CRS & DIS goodwill (\$5.3m & \$9.2m respectively)

## Outlook

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- CY07 will receive full year contribution from Capital Racking and DIS, as well impact of HPI acquisition effective 1 Jan 2007
- Order book currently \$62m – however some major orders are pending
- Resources in HR, IT & Admin to be increased to manage post acquisition tasks
- Expect continued strong growth in the Office Division through increased market share
- Continuing growth expected from Asian operations in CY07
- Acquisition opportunities continue to be assessed
- Full year earnings (NPAT) to be better than 20% up on 2006 excluding the impact of any amortisation of intangibles