



**Half Year 2009
Results Presentation**

1H09 Highlights



Key Points:

Financial

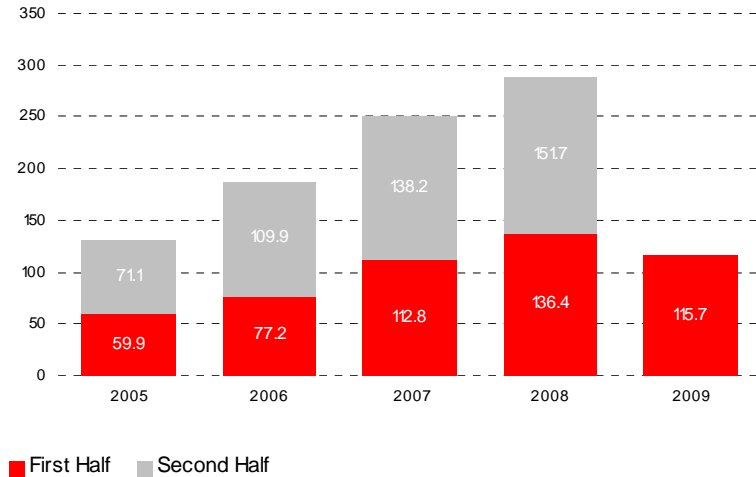
- Revenue declined 15% to \$116m from \$136m
- Normalised break even EBITA result
- Balance Sheet recapitalised
- Operating cash flow at \$3.7m vs \$2.2m
- Post the equity raising pro forma gearing levels improved from 89% to 52% (net debt/equity)

Operational

- Continued product development and marketing initiatives across all businesses
- Significant improvements to operational efficiency in Commercial
- Industrial Division well placed to benefit from increased spending on automated warehouses
- Order book improves in second quarter

Sales revenue

\$MILLION



Segment EBITA Normalised

\$MILLION

Segment	1H 08	1H 09
Industrial	11.2	1.7
Commercial	0.6	(0.1)
Asia	0.4	0.6
Total segment EBITA	12.2	2.2
Unallocated HO costs	(2.6)	(2.2)
Total Group EBITA	9.6	0.0

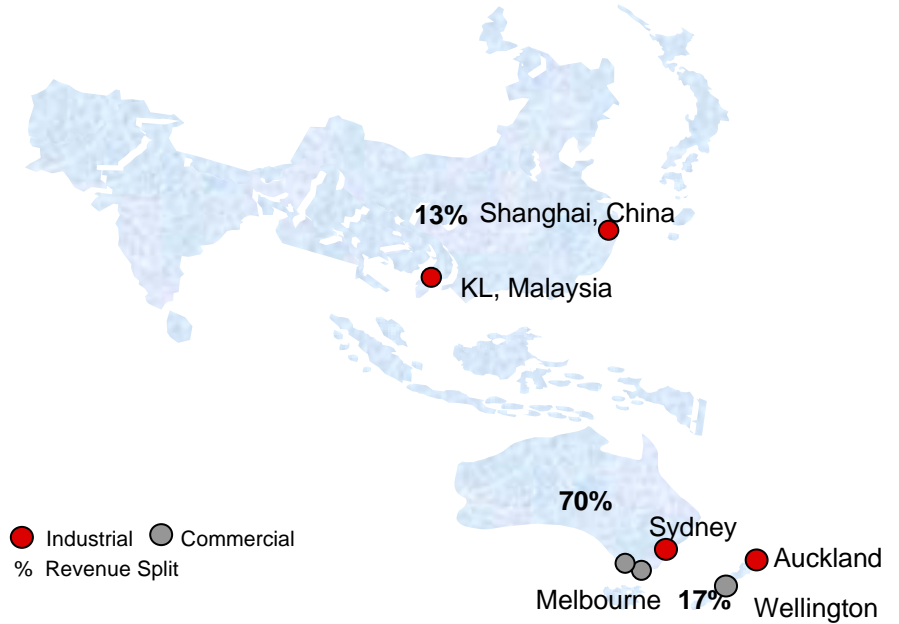
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Business Overview

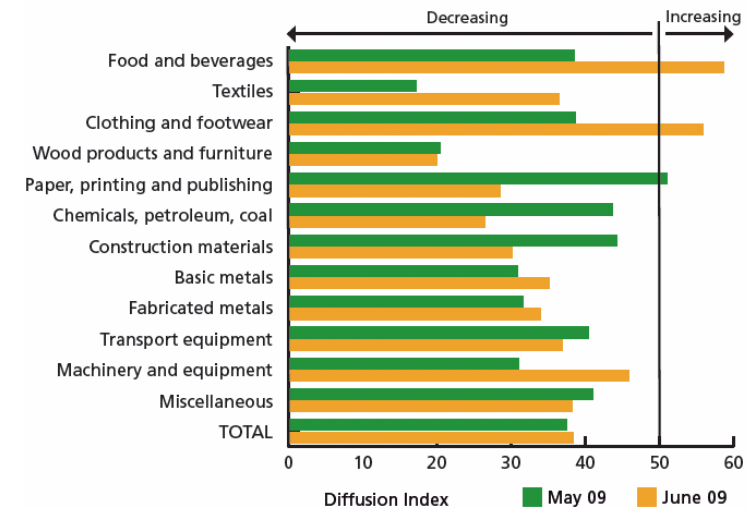
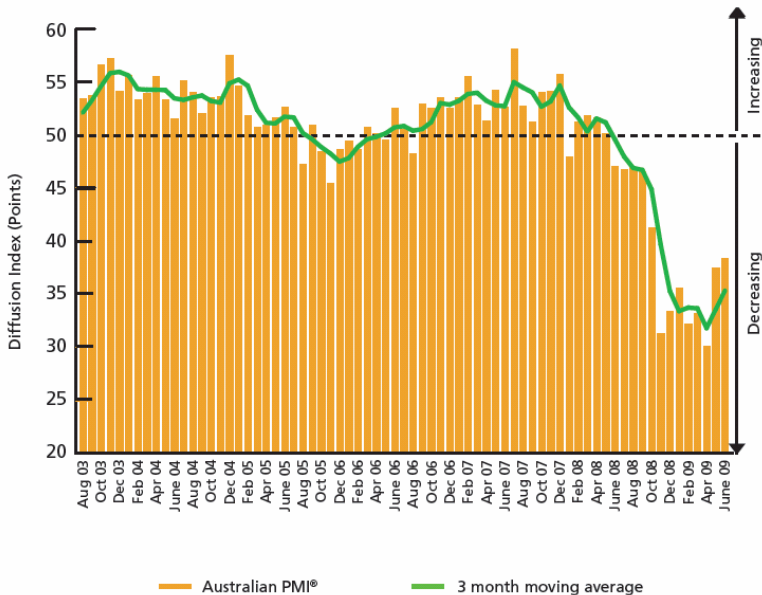


Key Facts

- Comprehensive provider of industrial and commercial storage solutions
- Employee base is approximately 900
- Seven manufacturing plants in the region
- Strong channel coverage through direct sales force and dealer networks
- Strong positions in attractive geographic markets with leading brand positions



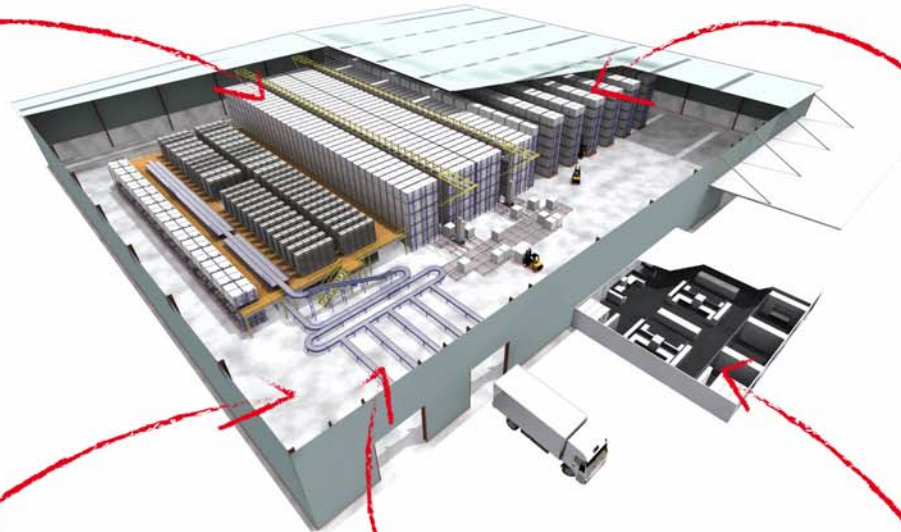
PMI Index and Key Sectors – July 2009



What we do



The Complete Storage Solution Provider



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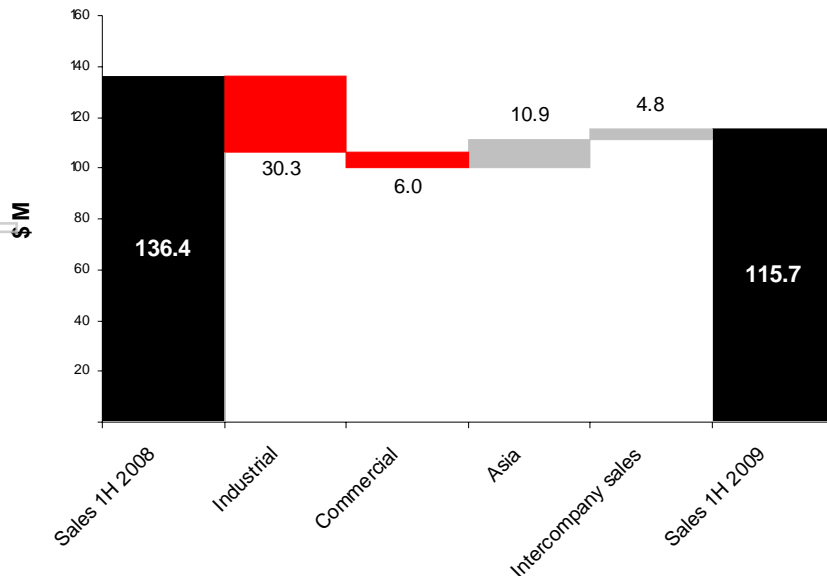
Earnings



Key earnings drivers were:

- Fall in project sales and Industrial distributor sales in Australia
- Commercial Division operational performance improves but lower sales volumes mask improvement
- Reduced factory capacity utilisation impacts margins
- Reduced staff costs

Sales Bridge 1H 2008 v 1H 2009



30 June (\$m)	1H '09	1H '08	Change
Sales revenue	115.7	136.4	-15%
Cost of sales	101.1	112.4	
Gross Profit	14.6	24.0	-39%
Expenses	15.6	16.6	
E.B.I.T.	(0.9)	7.4	-113%
Net interest/financing costs	(1.5)	(2.4)	
Profit before tax	(2.4)	5.0	
Taxation	0.7	(1.3)	
NPAT	(1.7)	3.7	-146%
Add: Amortisation	0.5	0.5	-
Add: One off costs	0.2	1.0	
NPAT (Normalised)	(1.0)	5.2	-120%
EBITA (Normalised)	(0.3)	9.6	-
Gross margin	12.6%	17.6%	
Effective tax rate	29.6%	26.2%	
EBITA margin (normalised)	-0.3%	7.0%	

Balance Sheet



Key Points:

- Pro forma gearing reduced to 52% with net debt of \$32m and shareholders funds of \$61m.
- Interest cover is forecast at 3.2 times for 2009 based on EBITA (normalised). This is well within the revised covenant limit of 2.3 times
- Unutilised banking facilities of \$30m

Pro-forma debt maturity profile post equity increase

Maturity	(\$m)
2009	Nil
2010	Nil
2011	8.5
2012	22.1
2013	1.4
Total	32.0

After repayment of debt and restructuring of facilities

Period Ended 30 June 2009 (\$m)	Jun '09	Dec '08
Cash	2.6	5.1
Receivables	46.9	51.5
Inventories	23.6	33.8
Other current assets	2.9	1.5
Fixed assets	23.8	26.2
Intangibles	50.4	52.7
Deferred tax assets	3.1	3.2
Total Assets	153.4	173.8
Borrowings	(46.5)	(51.0)
Trade & other payables	(47.8)	(56.0)
Current tax payable	(0.0)	(0.7)
Deferred tax liability	(2.7)	(3.1)
Provisions	(6.9)	(8.0)
Total Liabilities	(104.0)	(118.8)
Net Assets	49.4	55.1
Net debt	43.9	45.9
Net debt / equity	89%	83%
Working capital	20.6	25.5

Cash Flow



Key Points:

- Operating cash flow positive despite break-even result
- Cash flow will be protected through:
 - Reduced Capex
 - Lower interest expense
 - Control of working capital
 - Dividend suspension
- Capex in 2H'09 forecast at \$2.0m including deferred payments of \$0.9m for the acquisition of Dexion China (Xiao Bao)
- Further debt reduction capacity in 2009

Period Ended 30 June 2009 (\$m)	1H '09	1H '08
EBITA	(0.2)	8.2
Depreciation	2.3	2.0
Interest	(1.5)	(2.4)
Tax paid	(1.1)	(1.4)
Working capital change	4.2	(4.1)
Operating cashflow	3.8	2.2
Capital expenditure	(0.7)	(3.4)
Acquisitions	0.0	(0.6)
Investing cashflow	(0.7)	(4.1)
Borrowings	(4.0)	7.7
Dividends	(2.6)	(3.2)
Financing cashflow	(6.6)	4.5
Net Cashflow	(3.6)	2.7

Business position and Outlook: Industrial



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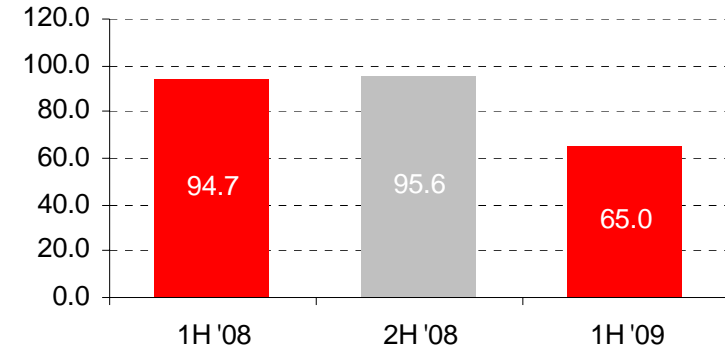
Australia:

- Improved order bank and pick up in demand from Distributors – June \$27m intake
- DIS gains major national contract in the parcel sortation and delivery industry
- Much improved factory capacity utilisation booked through November'09
- Completes second automatic storage and retrieval system for a major third party logistics company
- Improved demand from retail and FMCG sectors
- New Website for Dexion Integrated Systems to be launched in September'09; www.dexionintsystems.com

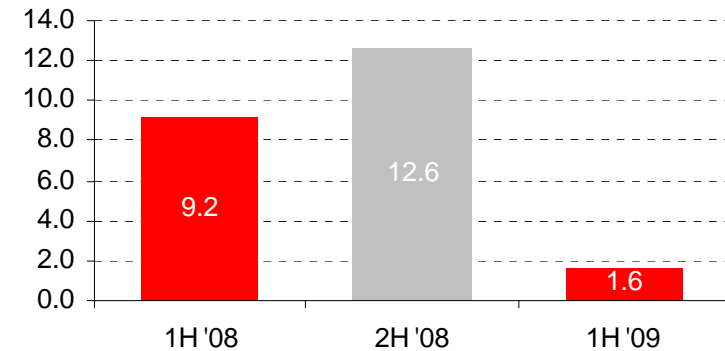
New Zealand:

- Additional cost savings flowing from product rationalisations and reorganisation
- Major semi automated distribution centre commenced
- New IT system to be implemented during third quarter

Sales - Industrial



EBITA- Industrial



Business position and Outlook: Commercial



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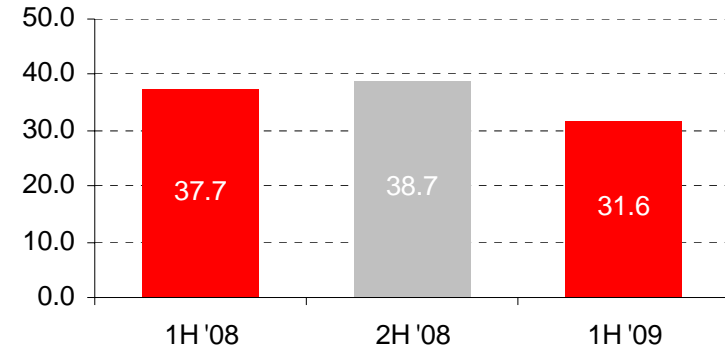
Australia:

- Benefits of restructuring and process improvements beginning to deliver better earnings
- Profitable 2nd quarter
- Launch of library shelving in Australia
- Launch of new version of Compactus®; Freetrack®2
- Well placed to improve sales to education sector as a result of government stimulus package
- GECA approval for Dexion Commercial product lines

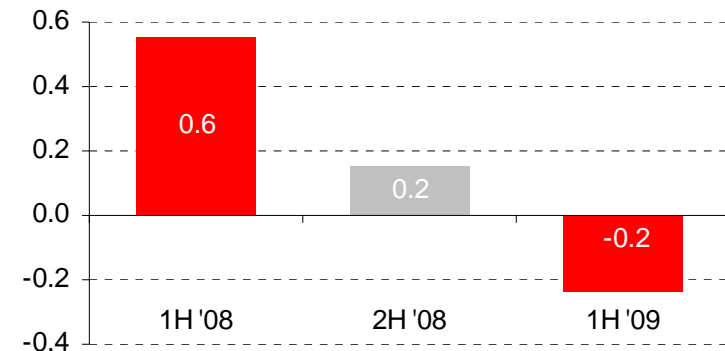
New Zealand:

- Profitable 1H09
- Increasing leverage of products across geographic markets
- Launch of Compactus® range
- Enviro Mark approval gained for new product lines

Sales - Commercial



EBITA- Commercial



New Commercial Product Launches



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**LIBRARY
SHELVING**



FREETRACK® 2



**STRATA
PARK**



**STRATA
PLANTER**

Business position and Outlook: Asia



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Malaysia:

- Major project completed for global records management group
- Key projects completed successfully
- Malaysia impacted by erratic steel supplies

India:

- Exclusive agreement signed with Amara Raj, a large national distributor

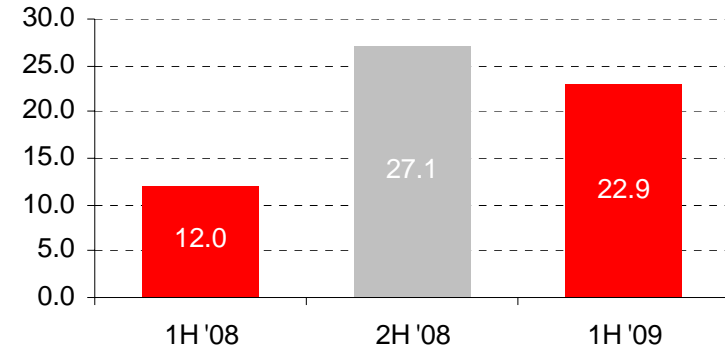
China:

- China sales will be lower than anticipated in 2H09 due to a project delay, FMCG
- Systems integration opportunities in China

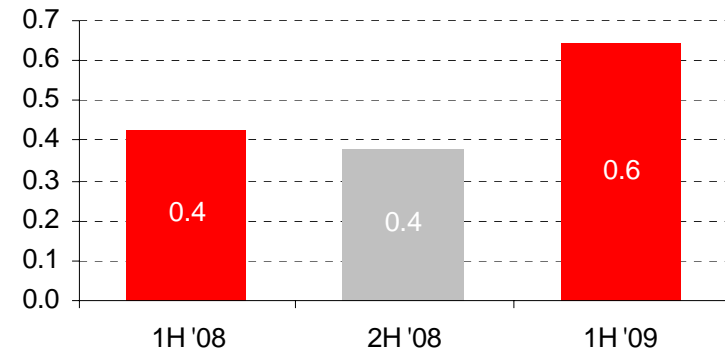
Middle East:

- Further Systems opportunities in the Middle East identified
- Sales of new commercial products range makes good progress

Sales - Asia



EBITA- Asia



Immediate Priorities

- Ensure cost structures are aligned with current market demand but retain critical skills
- Consolidate the improvements to working capital achieved in 1H 2009
- Complete key capex projects
- Manage steel price increases in 2H 2009
- Preserve cash

Strategic Actions

- Redirect marketing expenses towards improved web sites and literature
- Continue to pursue organic growth and expansion opportunities through new product launches and business partnerships
- Strengthen organization in Asia and the Middle East to leverage investment

Outlook

- Market conditions improving in Australia
- Dexion is well position to benefit from improved economic conditions
- Forecast for EBITA of \$7.2m for CY2009
- Target a return to historic profit margins during 2010