



KORVEST LTD

ABN 20 007 698 106

PRESS RELEASE

KORVEST PROFIT UP BY 26%

The Chairman, Mr David Simmons, today announced the following operating results for the 6 months ended 31st December 2005 for Korvest Ltd and its controlled entities.

	6 MONTHS TO 31/12/05 \$'000	6 MONTHS TO 31/12/04 \$'000	% CHANGE UP (Down)
Total Revenue	20,964	16,218	Up 29.3%
Operating Profit After Tax	1,987	1,574	Up 26.2%
Earnings per share (cents)	23.3	18.6	Up 25.3%
Dividends per share (cents)	12.0	10.0	Up 20.0%

Mr Simmons said that the improvement in operating profit was pleasing and continued the recent record of strong results for Korvest.

EzyStrut continued to increase market share and is currently benefiting from a high level of activity in the non-residential, commercial building, mining and infrastructure market sectors in Australia and New Zealand. The expansion of the EzyStrut pipe fitting range is expected to deliver future growth opportunities to the group.

Galvanising is benefiting from its entry into the Steel Grating market and is gradually increasing its market share in South Australia.

Mr Simmons explained that Korvest is investing in its infrastructure so that future growth can be realised. These investments include:

- The recent upgrade of the Galvanising facility to increase capacity and productivity. This project is almost complete and is expected to deliver improved performance from March 2006 onwards.
- An upgrade of the EzyStrut South Australian national distribution hub as part of its commitment to the highest level of customer service.
- Tooling and equipment to enhance and expand the EzyStrut range.

Mr Simmons also explained that the Korvest management team had worked diligently to manage its steel and zinc input costs implementing a variety of strategies that have minimised the recent price volatility in these two commodities.

Acquisition initiatives remain a high priority with a number of opportunities currently under consideration.

DIVIDEND

The Directors announced an increased fully franked final dividend of 12.0 cents per share compared to 10.0 cents per share last year. The dividend will be paid on 10th March 2006. The record date is 24th February 2006.

OUTLOOK

It is expected that the non-residential and engineering construction sectors will remain strong. There are also significant infrastructure and mining projects forecast for development, particularly in Queensland and Western Australia. Additional resources will be focussing on these two markets in particular.

Steel prices are now moderating, which in combination with our growth strategies and production improvement initiatives should see us produce acceptable results again for the year to June 2006.

Rounding Off

The company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and, in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

Lead Auditor's Independence Declaration under Section 307C of the Corporations Act 2001

The lead Auditor's independence declaration is set out on page 6 and forms part of the directors' report for the half-year ended 31 December 2005.

Events Subsequent to reporting Date

Details of events subsequent to reporting date are set out in Note 10 to the financial statements.

There has not arisen in the interval between the end of the half-year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the directors of the Company, to affect significantly the operations of the consolidated entity in subsequent financial periods.

D.J. SIMMONS CHAIRMAN

30 January 2006

For further information contact:
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