



KORVEST LTD

ABN 20 007 698 106

PRESS RELEASE

KORVEST RESULT UP 19.9%

The Chairman, Mr Peter Stancliffe, today announced the following operating results for the 12 months ended 30th June 2009 for Korvest Ltd and its controlled entities.

	12 MONTHS TO 30/06/09 \$'000	12 MONTHS TO 30/06/08 \$'000	% CHANGE
Revenues	62,896	55,011	+14.3%
Operating Profit After Tax	5,655	4,716	+19.9%
Earnings per share (cents)	65.9	54.9	+20.0%
Dividends per share (cents)	34.0	28.0	+21.4%

Mr Stancliffe said that he was delighted to report improved results for the 12 months to the 30th June 2009 in light of the economic conditions that have presented themselves over the course of the year. The year saw dramatic fluctuations in steel prices and the value of the Australian dollar against the US dollar which added to the challenges faced by the business. Whilst the first half results were particularly strong the second half results were probably more pleasing in light of what was happening in the broader economy during that period.

The EzyStrut cable and pipe support business supplies products to contractors for small industrial developments and also supplies products for major infrastructure developments. Major infrastructure developments were particularly prevalent in the first half. They did reduce however in the second half as the economic climate worsened. The smaller industrial developments did remain strong for the entire year. This solid "day-to-day" business underpinned a strong result for the year for this business. The cost of imports from China increased due to input cost and currency fluctuations.

The Galvanising business made a very strong start to the year however experienced a weakening in demand in the last quarter of the year as overall demand in the industry slowed appreciably. For a few years now there has been a strong management focus on productivity and process improvements and this has resulted in positive outcomes for the business during both the peaks and troughs of the cycle. During the months when demand was high the plant was able to efficiently process improved tonnages to satisfy the demand whilst when the demand waned, the plant was still able to operate profitably at those lower volumes.

The Indax grating and staunchion business built on the solid foundation laid in F2008 and experienced significant growth over the entire period. The focus of the business became more national during the year and work was won in all mainland states. In particular, as a result of successes in Queensland and Western Australia, specific representation was put in place in these states to capitalise on the opportunities available in those markets.

DIVIDEND

The Directors announced a fully franked final dividend of 17.0 cents per share. The full year dividend in relation to the 2009 year will be 34 cents per share compared to 28 cents per share for the previous year.

The final dividend will be paid on 1st September 2009.

OUTLOOK

It is expected that the markets in which Korvest's businesses operate will be subdued during 2010. However given Korvest's already significant position in these markets, the Company should continue to produce a satisfactory result. Continuing focus will be placed on streamlining operations in the group and optimising efficiencies in the business units. Korvest is well placed to take advantage of any improved economic conditions during the coming year.

P.W. STANCLIFFE
CHAIRMAN

28 July 2009

For further information contact:

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