



KORVEST LTD

ABN 20 007 698 106

PRESS RELEASE

KORVEST ANNOUNCES 35% PROFIT GROWTH

The Chairman, Mr David Simmons, today announced the following results for the 12 months ended 30th June 2006.

	12 MONTHS TO 30/6/06 \$'000	12 MONTHS TO 30/6/05 \$'000	CHANGE
Total Revenue	41,258	32,596	+ 27%
Operating Profit After Tax	4,122	3,061	+ 35%
Earnings per share (cents)	48.4	36.1	+34%
Dividends per share (cents)	25.0¢	21.0¢	+ 19%

Mr Simmons said that the Korvest business continues to deliver solid results and it was very pleasing to report a 35% increase in operating profit.

The strong mining, infrastructure and non-residential markets continued to provide valuable growth for the Ezystrut business.

With the ongoing difficulty of finding suitable acquisition targets, Korvest has focused on strengthening its current businesses and positioning them to maximise their growth potential over coming years, on the back of the expected opportunities in infrastructure investment with particular emphasis on the mining industry in South Australia, Western Australia and Queensland.

The Galvanising business is now benefiting from substantial expenditure in process and material handling improvements. These improvements are expected to deliver ongoing productivity increases in the coming years.

Internal Investments were also made in Ezystrut with the upgrade of the national distribution centre in South Australia and across a number of the state branches. Increases in inventory levels were made to support new initiatives as well as optimising customer service levels across all businesses.

Korvest will continue to focus on providing excellent customer service, and ongoing improvements across all its systems and processes and is expected to continue to perform solidly, stated Mr Simmons

DIVIDEND

The Directors announced an increased fully franked final dividend of 13.0 cents per share compared to 11.0 cents per share last year and 12.0 cents at the half year. The full year dividend in relation to the 2006 year will be 25.0 cents per share compared to 21.0 cents per share for the previous year.

The final dividend will be paid on 1st September 2006.

OUTLOOK

Our expectations for the forthcoming year are positive given the continuing growth in our key markets. The introduction of new products are expected to assist in continuing to strengthen our market share into 2007.

DAVID J. SIMMONS
CHAIRMAN

31 July 2006

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