



ASX ANNOUNCEMENT

MAXITRANS PROFIT UP 107% - BRIGHT START TO FY 04

MaxiTRANS Industries Limited, Australia's largest supplier of road transport trailing equipment and solutions, earned a pre-tax profit of \$7,053,000 for the year ended 30 June 2003, a 107% increase on the prior year result of \$3,409,000.

The improved result is after including \$1.4 million of one-off expenses, primarily relating to process improvement projects and the reclassification of converting preference share dividends as interest.

As a result of the improved performance and the directors' confidence in the improving operating performance and market conditions, the Company will pay a final dividend of 1.5 cents per ordinary share on 17 October 2003, bringing the total dividends paid for the year to 2.5 cents per share, a 67% increase on the prior year.

Highlights

- ❑ A record net profit after tax of \$5,004,000, a 93% increase on the prior year
- ❑ The upgrade of the Ballarat manufacturing facility was completed along with an extensive process improvement project, the full benefits of which were realized from the fourth quarter
- ❑ During the year the Company acquired a retail parts outlet in the regional Victorian town of Traralgon, and took a minority interest in Fuwa K Hitch (Australia) Pty Ltd, a leading designer and supplier of heavy-duty transport components. These acquisitions were in line with the Company's strategy to rapidly expand the retail and wholesale parts group, being activities which are counter-cyclical to the trailer/van segment
- ❑ The new Victorian branch headquarters to accommodate equipment sales, rentals, retail parts, service/ repairs and the corporate office at Derrimut, Melbourne's transport hub, became operational in October 2002
- ❑ The Chinese panel manufacturing joint venture remains profitable and continues to provide a contribution to earnings
- ❑ The buy-back/conversion of 15 million converting preference shares during the year

The Company completed the acquisition of Lusty EMS Pty Ltd, a Brisbane based designer and manufacturer of aluminium semi-tippers, on 3 July 2003. The acquisition of Lusty is in line with MaxiTRANS' strategic direction to diversify and grow the business through entry into segments complementary to MaxiTRANS' existing range of products. The directors consider that the acquisition provides MaxiTRANS with an exciting opportunity to expand its areas of activity, while at the same time providing the opportunity to benefit from synergies between its current business operations and the operations of Lusty EMS.

Outlook

- **The new financial year has commenced strongly with no sign of order intake slowing**
- **The full year benefits of the capital upgrade and process improvement programs undertaken during the year will be realized in the coming year, without the recurrence of the significant one-off items of expense incurred this year**
- **The launch of new products to the market in the coming year should also impact favourably on sales volume and market share**

For more information please contact the Managing Director, Mr Michael Brockhoff, on 03 8368 1180.

Alternately you may wish to visit our website at www.maxitrans.com.au

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