
PRESS RELEASE

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Review of Operations

The Directors of MaxiTRANS Industries Limited announce an after tax loss of \$(1,394,000) for the six months ended 31 December 1999 compared to a net profit after tax of \$2,562,000 for the previous corresponding period.

Company revenues decreased to \$46.6 million from \$60 million in the previous corresponding period. The fall in revenue and earnings was foreseen, due to a deferral of purchases by major fleets, largely as a result of the Federal Government GST system. The company made a submission to the Vos Committee (the committee advising the Treasurer on GST impacts), outlining the likely effects on its operations, and the community of Ballarat, and then announced the developments to shareholders in October 1999 in the Chairman's address to the AGM.

The GST system encourages purchasers of high cost capital items currently attracting 22% sales tax, to defer purchase until the 10% GST applies from July 2000. These deferrals are expected to result in increased revenue in the 2000/2001 year.

The impact of these deferrals was felt on high value refrigerated van products, where the major fleets also had a short-term excess capacity. The company's manufacturing facility at Ballarat, having only just completed the transfer from Hallam of assembly operations, recruitment and training of new employees and commissioning of new equipment, was severely impacted by poor manufacturing efficiency in the first quarter. Sales of van products were approximately 33% of the normal rate for the first three months of the year.

Action was taken to reduce losses by cutting employment, non-essential costs, and inventory. Several presentations were made at various levels of government, relating to the impact of the GST arrangements. The unaudited loss after tax for the first quarter was (\$1,751,000), reflecting the adverse impact on sales volume; pricing and factory inefficiency caused by the GST related order deferrals. Due to the restructuring, and an increase in van orders in the second quarter, the after tax profit for the second quarter was \$357,000, resulting in an after tax loss of (\$1,394,000) for the first half.

The second half is expected to build further on the second quarter result, with some 200 employees less than the peak level in 1999, and a significantly lower cost base.

Unrelated to the above announcement of the financial results for the half-year Mr Barry Rees, has resigned as Managing Director of the Company. The resignation is on an amicable basis and mutually agreeable terms, and is due to a fundamental difference with the major shareholder over the strategic direction of the company.

The Deputy Chairman, Mr Jim Curtis, will be acting as Managing Director pending the appointment of a successor to Mr Rees.

All enquiries should be directed to the Chief Financial Officer on (03) 98528446.

Ian R. Davis
Chairman

James R. Curtis
Deputy Chairman

Appendix 4B (equity accounted)

Half yearly/preliminary final report

Introduced 1/12/97. Origin: Appendices 3, 4. Amended 1/7/98.

Name of entity

MaxiTRANS Industries Limited			
ACN, ARBN or ARSN	Half yearly (tick)	Preliminary final (tick)	Half year/financial year ended ('current period')
006 797 173	<input type="checkbox"/>	<input type="checkbox"/>	31 December 1999

Equity accounted results for announcement to the market

Extracts from this report for announcement to the market (see note 1).

\$A'000

Sales (or equivalent operating) revenue (item 1.1)	up/down	22%	To	46,587
Abnormal items after tax attributable to members (item 2.5)	gain (loss) of			-
+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members (item 1.26)	up/down		To	(1,207)
+Operating profit (loss) after tax attributable to members (item 1.10)	up/down		To	(1,394)
Extraordinary items after tax attributable to members (item 1.13)	gain (loss) of			-
+Operating profit (loss) and extraordinary items after tax attributable to members (item 1.16)	up/down		To	(1,394)

Dividends (distributions)	Amount per security	Franked amount per security at 36% tax
Final dividend (Preliminary final report only - item 15.4)		
Interim dividend (Half yearly report only - item 15.6) - Ordinary	- ¢ 1.80 ¢	- ¢ 1.80 ¢
-Preference		
Previous corresponding period (Preliminary final report - item 15.5; half yearly report - item 15.7)	-	-
Ordinary	1.75 ¢ 1.80 ¢	1.75 ¢ 1.80 ¢
-Preference		
+Record date for determining entitlements to the dividend, (in the case of a trust, distribution) (see item 15.2)	Ordinary Shares - N/A Preference Shares - 17th March 2000	

Brief explanation of omission of directional and percentage changes to profit in accordance with Note 1 and short details of any bonus or cash issue or other item(s) of importance not previously released to the market: Details of percentage changes have been omitted in accordance with note 1.

Consolidated profit and loss account

	Current period - \$A'000	Previous corresponding period - \$A'000
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1.1	Sales (or equivalent operating) revenue	46,587	59,668
1.2	Share of associates' "net profit (loss) attributable to members" (equal to item 16.7)	161	(52)
1.3	Other revenue	366	299
1.4	+Operating profit (loss) before abnormal items and tax	(2,144)	5,662
1.5	Abnormal items before tax (detail in item 2.4)	–	(1,378)
1.6	+Operating profit (loss) before tax (items 1.4 + 1.5)	(2,144)	4,284
1.7	Less tax	(750)	1,722
1.8	+Operating profit (loss) after tax but before outside +equity interests	(1,394)	2,562
1.9	Less outside +equity interests	–	–
1.10	+Operating profit (loss) after tax attributable to members	(1,394)	2,562
1.11	Extraordinary items after tax (detail in item 2.6)	–	–
1.12	Less outside +equity interests	–	–
1.13	Extraordinary items after tax attributable to members	–	–
1.14	Total +operating profit (loss) and extraordinary items after tax (items 1.8 + 1.11)	(1,394)	2,562
1.15	+Operating profit (loss) and extraordinary items after tax attributable to outside +equity interests (items 1.9 + 1.12)	–	–
1.16	+Operating profit (loss) and extraordinary items after tax attributable to members (items 1.10 + 1.13)	(1,394)	2,562
1.17	Retained profits (accumulated losses) at beginning of financial period	2,448	2,270
1.18	If change in accounting policy as set out in clause 11 of AASB 1018 Profit and Loss Accounts, adjustments as required by that clause (include brief description)	–	–
1.19	Aggregate of amounts transferred from reserves	–	–
1.20	Total available for appropriation (<i>carried forward</i>)	1,054	4,832
1.20	Total available for appropriation (<i>brought forward</i>)	1,054	4,832
1.21	Dividends provided for or paid	270	2,454
1.22	Aggregate of amounts transferred to reserves		
1.23	Retained profits (accumulated losses) at end of financial period	784	2,378
Profit restated to exclude Amortisation of goodwill		Current period \$A'000	Previous corresponding period \$A'000
1.24	+Operating profit (loss) after tax before outside equity interests (items 1.8) and amortisation of goodwill	(1,207)	2,751
1.25	Less (plus) outside +equity interests	–	–
1.26	+Operating profit (loss) after tax (before amortisation of goodwill) attributable to members	(1,207)	2,751

Intangible, abnormal And extraordinary items	Consolidated - current period				
	Before tax \$A'000	Related tax \$A'000	Related outside +equity interests \$A'000	Amount (after tax) attributable to members \$A'000	
2.1	Amortisation of goodwill	187	–	–	187

2.2	Amortisation of other intangibles	553	(199)	–	354
2.3	Total amortisation of intangibles	740	(199)	–	541
2.4	Abnormal items	–	–	–	–
2.5	Total abnormal items	–	–	–	–
2.6	Extraordinary items	–	–	–	–
2.7	Total extraordinary items	–	–	–	–

Comparison of half year profits <i>(Preliminary final report only)</i>		Current year - \$A'000	Previous year - \$A'000
3.1	Consolidated +operating profit (loss) after tax attributable to members reported for the 1st half year (item 1.10 in the half yearly report)	N/A	N/A
3.2	Consolidated +operating profit (loss) after tax attributable to members for the 2nd half year	N/A	N/A

Consolidated balance sheet <i>(See note 5)</i>		At end of current period \$A'000	As shown in last annual report \$A'000	As in last half yearly report \$A'000
Current assets				
4.1	Cash	4	1,369	1,101
4.2	Receivables	9,475	13,359	8,152
4.3	Investments	–	–	–
4.4	Inventories	12,214	13,556	14,227
4.5	Other (provide details if material)	390	264	615
4.6	Total current assets	22,083	28,548	24,095
Non-current assets				
4.7	Receivables	–	–	–
4.8	Investments in associates	1,967	1,823	1,513
4.9	Other investments	129	172	–
4.10	Inventories	–	–	–
4.11	Exploration and evaluation expenditure capitalised (see para .71 of AASB 1022)	–	–	–
4.12	Development properties (+mining entities)	–	–	–
4.13	Other property, plant and equipment (net)	21,295	21,805	21,794
4.14	Intangibles (net)	32,203	32,747	33,518
4.15	Other (provide details if material)	2,151	1,530	1,808
4.16	Total non-current assets	57,745	58,077	58,633
4.17	Total assets	79,828	86,625	82,728
Current liabilities				
4.18	Accounts payable	10,426	14,037	11,953
4.19	Borrowings	6,156	3,865	2,021
4.20	Provisions	2,089	4,069	8,565
4.21	Other (provide details if material)	–	–	–
4.22	Total current liabilities	18,671	21,971	22,539
Non-Current liabilities				
4.23	Accounts payable	–	–	–
4.24	Borrowings	14,030	16,792	12,593
4.25	Provisions	1,449	1,018	1,548
4.26	Other (provide details if material)	–	–	–

4.27	Total non-current liabilities	15,479	17,810	14,141
4.28	Total liabilities	34,150	39,781	36,680
4.29	Net assets	45,678	46,844	46,048