



## RESULTS FOR THE HALF YEAR ENDED 31 DECEMBER 2008

MaxiTRANS Industries Limited ('MXI'), Australia's largest supplier of road transport trailing equipment and solutions today announced a net underlying profit after tax of \$5.9 million for the half year ended 31 December 2008. This underlying profit result is substantially in line with the Trading Update issued by the Directors in December 2008 and reflects a 24% decline in underlying net profit after tax compared with the previous corresponding period. After a non cash impairment charge of \$6.137 million associated with a write-down of goodwill relating to Colrain, a net loss of \$283,000 was incurred.

(A\$'000)	Half year ended 31/12/08	Half year ended 31/12/07	% Increase (Decrease)
<b>Sales revenue</b>	<b>150,925</b>	<b>140,579</b>	<b>+ 7%</b>
<b>EBIT</b>	<b>9,176</b>	<b>11,642</b>	<b>- 21%</b>
<b>Net underlying profit before tax</b>	<b>7,804</b>	<b>10,276</b>	<b>- 24%</b>
<b>Net underlying profit after tax</b>	<b>5,854</b>	<b>7,741</b>	<b>- 24%</b>
Impairment charge	(6,137)	-	
<b>Net profit (loss) after tax</b>	<b>(283)</b>	<b>7,741</b>	

The result for the first half of FY09 comprises two key elements.

The start of FY09 saw the carry forward of strong order banks from the previous financial year, which was a record year for order intake and sales across all parts of the business. This resulted in a profit result in the first quarter which was ahead of the previous corresponding period, but slightly below budget. During the first quarter however, the domestic market for trailers and vans contracted significantly.

During the second quarter of FY09, the rate of contraction accelerated and extended to the tipper and wholesale parts markets. As a result, margins and profit in the second quarter of FY09 were adversely impacted. All market segments experienced a decline in activity, except for agriculture which was aided by strong volumes over the grain season. The rapid deceleration of order intake resulted in key business units carrying higher levels of finished goods inventory; which also impacted on operating cash flow and debt levels.

The global financial crisis and subsequent slowdown in the Australian economy has had a significant effect on the ability of our customers to obtain finance and has adversely impacted confidence. Consequently, whilst enquiry levels continue to be encouraging, the ability and/or willingness of business operators to commit to the purchase of new equipment have been affected.



The Directors are encouraged by recent falls in interest rates which should have a positive impact once credit markets thaw and by the Federal Government's recently announced stimulus package which includes a 30% investment allowance for new equipment ordered before 30 June 2009. Initial feedback from the market has been positive and the Directors believe that these factors could potentially contribute to general business confidence and to order intake in the future.

In the meantime, order intake continues to be depressed across all areas of the business and aggressive sales and marketing initiatives have been implemented to ensure that opportunities to secure orders in the current market are maximized. Focus continues on managing costs and improving working capital in line with current market conditions, and the Directors are pleased to advise that all core bank debt facilities have been locked in to September 2010.

The duration and severity of the economic downturn is impossible to predict. Consequently, it is difficult to provide accurate guidance in respect to the second half of FY09. However, based on current levels of order intake and general business activity, it is likely that underlying net profit after tax for the full year to 30 June 2009 will be in the order of 50% lower than the prior year which, shareholders will recall, was a record year in terms of order intake and sales.

Due to the existence of potential indicators of impairment at 31 December 2008, the Directors have reviewed the carrying value of goodwill in accordance with AASB 136 and have decided to recognize a non cash impairment charge of \$6.137 million in respect to Colrain. The non cash impairment charge does not impact MXI's current cash resources, borrowing levels, or future earnings and cash flows.

Having considered the prevailing market and economic climate, the Directors have declared a fully franked interim dividend of 1.0 cent per share payable on 24 April 2009 to holders of ordinary shares at the record date, 27 March 2009.

The Directors also announce the re-activation of the MaxiTRANS Dividend Reinvestment Plan which has been suspended since February 2005, and the introduction of a Share Purchase Plan, details of which are being finalized and will be announced separately to shareholders.

For more information please contact the Managing Director, Mr. Michael Brockhoff, on (03)8368.1100. Alternately you may wish to visit our website at [www.maxitrans.com.au](http://www.maxitrans.com.au).

**Ian Davis**  
**Chairman**  
**20 February 2009**

**Michael Brockhoff**  
**Managing Director**

# Appendix 4D

## Half Year Report

Introduced 1/1/2003

Name of entity

<b>MAXITRANS INDUSTRIES LIMITED</b>
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<b>ABN 58 006 797 173</b>	<b>Half Year Ended 31 December 2008</b>
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### Results for announcement to the market

				\$A'000
Revenues from ordinary activities	up	7%	to	150,925
Pre-tax profit (excluding non-recurring significant items )	down	-24%	to	7,804
Net profit after tax (excluding non- recurring significant items)	down	-24%	to	5,854
Non - recurring significant items		N/A		(6,137)
Profit (loss) from ordinary activities after tax attributable to members	down	-104%	to	(283)
Net profit (loss) for the period attributable to members	down	-104%	to	(283)

<b>Dividends (distributions) - Note 7</b>	Amount per security	Franked amount per security
Interim dividend – Ordinary shares	1.0¢	1.0¢
Previous corresponding period: Interim dividend – Ordinary shares	2.75¢	2.75¢

Record date for determining entitlements to the dividend and the last day for receipt of election notices for the dividend re-investment plan.

<b>27 March 2009</b>
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The Company has re-activated the dividend reinvestment plan ("DRP") which has been suspended since 21 February 2005.

Refer to the attached ASX announcement regarding commentary on revenue, earnings and business outlook.

## MaxiTRANS Industries Limited

### Directors' Report for the half-year ended 31 December 2008

The directors of MaxiTRANS Industries Limited submit herewith the half-year financial report in the form of Appendix 4D of the Australian Stock Exchange Listing Rules for the half-year ended 31 December 2008. In order to comply with the provisions of the Corporations Act 2001, the directors report as follows:

#### Names

The names of the directors of the company during or since the end of the half-year are:

Mr. Ian R. Davis	(Chairman since October 1994)
Mr. James R. Curtis	(Director Since 1987 –Deputy Chairman since October 1994)
Mr. Michael A. Brockhoff	(Managing Director since June 2000)
Mr. Geoffrey F. Lord	(Director since October 2000)
Mr. Robert H. Wylie	(Director since September 2008)

#### Review of operations

The directors of MaxiTRANS Industries Limited ('MXI'), Australia's largest supplier of road transport trailing equipment and solutions, are pleased to announce the following highlights in relation to the performance of the Company for the half year ended 31 December 2008.

Net underlying profit after tax for the half year ended 31 December 2008 was \$5.854 million. This underlying profit result is substantially in line with the Trading Update issued by the Directors in December 2008 and reflects a 24% decline in underlying net profit after tax compared with the previous corresponding period. After a non cash impairment charge of \$6.137 million associated with a write down of goodwill relating to Colrain, a net loss of \$283,000 was incurred.

The result for the first half of FY09 comprises two key elements.

The start of FY09 saw the carry forward of strong order banks from the previous financial year, which was a record year for order intake and sales across all parts of the business. This resulted in a profit result in the first quarter which was ahead of the previous corresponding period, but slightly below budget. During the first quarter however, the domestic market for trailers and vans contracted significantly.

During the second quarter of FY09, the rate of contraction accelerated and extended to the tipper and wholesale parts markets. As a result, margins and profit in the second quarter of FY09 were adversely impacted. All market segments experienced a decline in activity, except for agriculture which was aided by strong volumes over the grain season. The rapid deceleration of order intake resulted in key business units carrying higher levels of finished goods inventory; which also impacted on operating cash flow and debt levels.

The global financial crisis and subsequent slowdown in the Australian economy has had a significant effect on the ability of our customers to obtain finance and has adversely impacted confidence. Consequently, whilst enquiry levels continue to be encouraging, the ability and/or willingness of business operators to commit to the purchase of new equipment have been affected.

The Directors are encouraged by recent falls in interest rates which should have a positive impact once credit markets thaw, and by the Federal Government's recently announced stimulus

package which includes a 30% investment allowance for new equipment ordered before 30 June 2009. Initial feedback from the market has been positive and the Directors believe that these factors could potentially contribute to general business confidence and to order intake in the future.

In the meantime, order intake continues to be depressed across all areas of the business and aggressive sales and marketing initiatives have been implemented to ensure that opportunities to secure orders in the current market are maximized. Focus continues on managing costs and improving working capital in line with current market conditions, and the Directors are pleased to advise that all core bank debt facilities have been locked in to September 2010.

Due to the existence of potential indicators of impairment at 31 December 2008, the Directors have reviewed the carrying value of goodwill in accordance with AASB 136 and have decided to recognize a non cash impairment charge of \$6.137 million in respect to Colrain. The non cash impairment charge does not impact MXI's current cash resources, borrowing levels, or future earnings and cash flows.

### **Outlook**

The duration and severity of the economic downturn is impossible to predict. Consequently, it is difficult to provide accurate guidance in respect to the second half of FY09. However, based on current levels of order intake and general business activity, it is likely that underlying net profit after tax for the full year to 30 June 2009 will be in the order of 50% lower than the prior year which, shareholders will recall, was a record year in terms of order intake and sales.

### **Dividend**

Having considered the prevailing market and economic climate, the Directors have declared a fully franked interim dividend of 1.0 cent per share payable on 24 April 2009 to holders of ordinary shares at the record date, 27 March 2009.

The Directors also announce the re-activation of the MaxiTRANS Dividend Reinvestment Plan which has been suspended since February 2005, and the introduction of a Share Purchase Plan, details of which are being finalised and will be announced separately to shareholders.

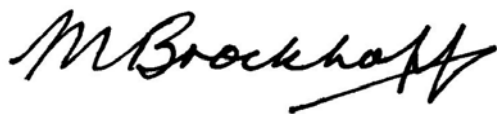
### **Auditor's independence declaration**

The independence declaration of our auditor, KPMG, forms part of the Director's Report for the half-year ended 31 December 2008.

### **Rounding of amounts**

The parent entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly, amounts in the interim financial statements and the Director's Report have been rounded to the nearest thousand dollars unless specifically stated to be otherwise.

This report has been made in accordance with a resolution of the Board of Directors.



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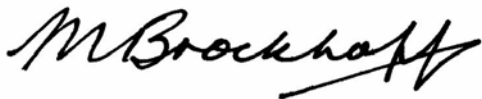
Michael A. Brockhoff  
Managing Director  
Melbourne, 20 February 2009

## DIRECTORS' DECLARATION

In the opinion of the directors of MaxiTRANS Industries Limited ("the Company"):

- 1 the interim financial statements and notes set out on pages 6 to 19, are in accordance with the Corporations Act 2001 including:
  - (a) giving a true and fair view of the financial position of the consolidated entity as at 31 December 2008 and of its performance, as represented by the results of its operations and cash flows for the half-year ended on that date; and
  - (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Regulations 2001; and
- 2 there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

Signed for and on behalf of the Board in accordance with a resolution of directors made pursuant to s.303(5) of the Corporations Act 2001.



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Michael A. Brockhoff  
Managing Director

Melbourne, 20 February 2009



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

To: the directors of MaxiTRANS Industries Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 31 December 2008 there have been:

- (i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the review.

*KPMG*

KPMG

*Adrian V. King*

Adrian V King  
*Partner*

Melbourne  
20 February 2009

**CONSOLIDATED INTERIM INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	Note	31 Dec 2008 \$'000	31 Dec 2007 \$'000
Revenue from the sale of goods		147,923	136,767
Revenue from the rendering of services		3,002	3,812
<b>Total revenue</b>		<u>150,925</u>	<u>140,579</u>
Changes in inventories of finished goods and work in progress		2,699	(43)
Raw materials and consumables used		(96,911)	(83,739)
Other income	2	123	79
Employee expenses		(35,398)	(34,815)
Depreciation and amortisation expenses	3	(3,016)	(2,755)
Financing costs	3	(1,372)	(1,366)
Other expenses		(9,971)	(8,532)
Share of net profits of associates accounted for using the equity method	8	725	868
<b>Profit before income tax expense &amp; impairment charge</b>		<u>7,804</u>	<u>10,276</u>
Impairment of goodwill	9	(6,137)	-
<b>Profit before income tax expense</b>		<u>1,667</u>	<u>10,276</u>
Income tax (expense) / benefit		<u>(1,950)</u>	<u>(2,535)</u>
<b>Profit/(loss) for the period</b>		<u><u>(283)</u></u>	<u><u>7,741</u></u>
Attributable to:			
Equity holders of the parent	4	<u><u>(283)</u></u>	<u><u>7,741</u></u>
Basic earnings per share (cents per share)	6	<u><u>(0.16)¢</u></u>	<u><u>4.51¢</u></u>
Diluted earnings per share (cents per share)	6	<u><u>(0.16)¢</u></u>	<u><u>4.51¢</u></u>

The consolidated interim income statement is to be read in conjunction with the notes to the half-year financial statements set out on pages 10 to 19.

**CONSOLIDATED INTERIM STATEMENT OF RECOGNISED INCOME AND EXPENSE**

**FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	31 Dec 2008 \$'000	31 Dec 2007 \$'000
Net exchange difference on translation of financial statements of foreign operations	11 <u>27</u>	<u>(121)</u>
<b>Net income (expense) recognised directly in equity</b>	<b>27</b>	<b>(121)</b>
Profit for the period	(283)	7,741
<b>Total income and expense recognised for the period</b>	<b><u>(256)</u></b>	<b><u>7,620</u></b>
Attributable to:		
Equity holders of the parent	<u>(256)</u>	7,620
	<b><u>(256)</u></b>	<b><u>7,620</u></b>

The consolidated interim statement of recognised income and expense is to be read in conjunction with the notes to the half-year financial statements set out on pages 10 to 19.

**CONSOLIDATED INTERIM BALANCE SHEET****AS AT 31 DECEMBER 2008**

	Note	31-Dec-08 \$'000	31-Dec-07 \$'000	30-Jun-08 \$'000
<b>Current Assets</b>				
Cash and cash equivalents		2,248	3,343	1,968
Trade and other receivables		26,512	29,675	32,623
Inventories		45,261	37,275	45,070
Other		2,368	1,794	674
<b>Total Current Assets</b>		<u>76,389</u>	<u>72,087</u>	<u>80,335</u>
<b>Non-Current Assets</b>				
Investments accounted for using the equity method	8	3,905	3,479	3,977
Property, plant & equipment		58,574	48,734	57,768
Goodwill	9	3,615	9,752	9,752
Other intangible assets		22,852	23,787	23,330
Other		810	400	810
<b>Total Non-Current Assets</b>		<u>89,756</u>	<u>86,152</u>	<u>95,637</u>
<b>Total Assets</b>		<u>166,145</u>	<u>158,239</u>	<u>175,972</u>
<b>Current Liabilities</b>				
Trade and other payables		22,261	26,153	33,551
Interest bearing loans & borrowings		10,377	8,355	7,787
Income tax payable		2,496	1,379	3,871
Provisions		6,767	6,595	6,969
<b>Total Current Liabilities</b>		<u>41,901</u>	<u>42,482</u>	<u>52,178</u>
<b>Non-Current Liabilities</b>				
Interest bearing loans & borrowings		33,219	31,260	26,755
Deferred tax liabilities		4,258	3,312	5,355
Provisions		520	318	626
<b>Total Non-Current Liabilities</b>		<u>37,997</u>	<u>34,890</u>	<u>32,736</u>
<b>Total Liabilities</b>		<u>79,898</u>	<u>77,372</u>	<u>84,914</u>
<b>Net Assets</b>		<u>86,248</u>	<u>80,867</u>	<u>91,058</u>
<b>Equity</b>				
Issued capital	10	53,406	53,406	53,406
Reserves	11	10,728	5,153	10,701
Retained earnings	4	22,113	22,308	26,951
<b>Total Equity</b>		<u>86,247</u>	<u>80,867</u>	<u>91,058</u>

The consolidated interim balance sheet is to be read in conjunction with the notes to the half-year financial statements set out on pages 10 to 19.

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2008**

	<b>31 Dec 2008</b>	<b>31 Dec 2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Cash Flows from Operating Activities</b>		
Cash receipts from customers	152,446	153,331
Cash payments to suppliers & employees	(148,347)	(143,685)
Interest received	122	79
Interest & other costs of finance paid	(1,372)	(1,366)
Income tax paid	<u>(4,441)</u>	<u>(900)</u>
<b>Net Cash from Operating Activities</b>	<u><u>(1,592)</u></u>	<u><u>7,459</u></u>
<b>Cash Flows from Investing Activities</b>		
Acquisition of property, plant & equipment	(2,730)	(1,344)
Dividends received from associates	824	531
Proceeds from sale of property, plant & equipment	<u>302</u>	<u>245</u>
<b>Net Cash from Investing Activities</b>	<u><u>(1,604)</u></u>	<u><u>(568)</u></u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from borrowings	8,590	-
Repayment of borrowings	(391)	(1,434)
Dividends paid	<u>(4,723)</u>	<u>(3,435)</u>
<b>Net Cash from Financing Activities</b>	<u><u>3,476</u></u>	<u><u>(4,869)</u></u>
Net increase (decrease) in cash and cash equivalents	280	2,022
Cash and cash equivalents 1 July	<u>1,968</u>	<u>1,321</u>
Cash and cash equivalents 31 December	<u><u>2,248</u></u>	<u><u>3,343</u></u>
<b>Reconciliation of cash</b>		
Cash at bank and on hand	2,248	3,343
Invoice finance and overdraft	<u>(9,041)</u>	<u>(5,476)</u>
	<u><u>(6,793)</u></u>	<u><u>(2,133)</u></u>
<b>Non-cash financing and investing activities</b>		
Acquisition of plant & equipment by means of finance leases	<u><u>855</u></u>	<u><u>345</u></u>

These acquisitions of plant and equipment are not reflected in the statements of cash flows.

The consolidated interim statement of cash flows is to be read in conjunction with the notes to the half-year financial statements set out on pages 10 to 19.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS

### 1. Statement of Compliance and Significant Accounting Policies

#### Reporting Entity

MaxiTRANS Industries Limited (the "Company") is a company domiciled in Australia. The consolidated interim financial report of the Company as at and for the six months ended 31 December 2008 comprises the Company and its subsidiaries

The consolidated annual financial report of the Group as at and for the year ended 30 June 2008 is available upon request from the Company's registered office at 346 Boundary Rd, Derrimut, Victoria or at [www.maxitrans.com.au](http://www.maxitrans.com.au).

The consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

#### Statement of Compliance

The consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual financial report of the Group as at and for the year ended 30 June 2008.

This consolidated interim financial report was approved by the Board of Directors on 20 February 2009.

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

Except as described below, the accounting policies applied by the Group in this consolidated interim financial report are the same as those applied by the Group in its consolidated financial report as at and for the year ended 30 June 2008.

In accordance with AASB 136, due to the existence of potential indicators of impairment at 31 December 2008, the Directors reviewed the carrying value of goodwill. As a result of this review, it was determined that an impairment charge should be recognised. See note 9.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)

	31 Dec 2008 \$'000	31 Dec 2007 \$'000
<b>2. Other income</b>		
Interest revenue from other parties	<u>123</u>	<u>79</u>
<b>3. Profit and loss</b>		
Profit and loss before related income tax expense has been determined after charging/(crediting) the following items:		
Cost of goods sold	<u>122,002</u>	<u>111,156</u>
Financing costs:		
- interest – bank loans and overdraft	1,259	1,189
- finance lease charges	<u>113</u>	<u>177</u>
Total financing costs	<u>1,372</u>	<u>1,366</u>
Depreciation:		
- property	218	220
- plant and equipment	<u>2,009</u>	<u>1,539</u>
Total depreciation	<u>2,227</u>	<u>1,759</u>
Amortisation of non-current assets:		
- intellectual property	421	418
- brand names	35	35
- patents and trademarks	22	22
- capitalised leased assets	<u>311</u>	<u>521</u>
Total amortisation	<u>789</u>	<u>996</u>
Net expenses from movements in provision for:		
- employee entitlements	(352)	21
- warranty	44	134
- other	<u>1,088</u>	<u>(4)</u>
Net expense resulting from movements in provisions	<u>780</u>	<u>151</u>
Net bad debt expense and movements in provision for impairment of trade receivables	<u>395</u>	<u>34</u>
Rental expense on operating leases	<u>1,108</u>	<u>1,029</u>
Research and development expenditure written off as incurred	<u>295</u>	<u>340</u>
Crediting as income:		
Net (gain)/loss on disposal of property, plant and equipment	<u>(62)</u>	<u>(142)</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)**

	Note	31 Dec 2008 \$'000	31 Dec 2007 \$'000
<b>4. Retained Earnings</b>			
Retained earnings at the beginning of the year		26,951	18,002
Net profit attributable to members of the parent entity		(283)	7,741
Employee share options		168	-
Dividends	7	<u>(4,723)</u>	<u>(3,435)</u>
Retained earnings at the end of the year		<u><u>22,113</u></u>	<u><u>22,308</u></u>
		<b>Current Period</b>	<b>Previous corresponding period</b>
<b>5. Net Tangible Assets Backing (cents per share)</b>		<u><u>34.81¢</u></u>	<u><u>27.56¢</u></u>

**6. Earnings per Share ('EPS')**

*Classification of securities as potential shares*

The options outstanding under the Executive Option Plan may be classified as potential ordinary shares and included in diluted earnings per share only.

At 31 December 2008 and 31 December 2007 executive share options were not dilutive.

Further details of these securities are contained in note 10.

	2008 Number	2007 Number
<b>Weighted average number of shares:</b>		
Number for basic earnings per share - ordinary shares	<u><u>171,742,155</u></u>	<u><u>171,742,155</u></u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)**

**7. Dividends**

**Dividends proposed or paid are:**

	<b>Cents per share</b>	<b>Total amount \$'000</b>	<b>Date of payment</b>	<b>Tax rate for franking credit</b>	<b>Percent franked</b>
<b>2008</b>					
Interim – ordinary	2.75	4,723	21 April 2008	30% (Class C)	100%
Final – ordinary	2.75	4,723	10 October 2008	30% (Class C)	100%
Total franked amount		<u>9,446</u>			
<b>2007</b>					
Interim – ordinary	2.0	3,435	20 April 2007	30% (Class C)	100%
Final – ordinary	2.0	3,435	16 October 2007	30% (Class C)	100%
Total franked amount		<u>6,870</u>			

Since the end of the half-year, the directors declared the following dividend:

Interim – ordinary	1.0	1,717	24 April 2009	30% (Class C)	100%
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The financial effect of this dividend has not been brought to account in the interim financial statements for the half-year ended 31 December 2008 and will be recognised in subsequent financial reports.

**Dividend franking account**

	<b>Consolidated</b>	
	<b>2008 \$'000</b>	<b>2007 \$'000</b>
Class C (30%) franking credits available to shareholders of MaxiTRANS Industries Limited for subsequent financial years	<u>6,862</u>	<u>4,251</u>

The above available amounts are based on the balance of the dividend franking account at 31 December 2008 adjusted for franking debits that will arise from the payment of dividends recognised as a liability at period-end and franking credits that will arise from the payment of tax liability.

The Company has re-activated the dividend reinvestment plan (“DRP”) which has been suspended since 21 February 2005. The DRP is for the benefit of shareholders who wish to acquire additional shares in lieu of the cash dividend otherwise payable on participating shares.

The additional shares will be issued at a discount of 5% (or such other lesser discount as determined by the directors in their absolute discretion) to the weighted average market price of ordinary shares on the last business day of each of the 4 weeks immediately prior to the record date.

The directors may, in their absolute discretion, vary the issue price of DRP shares, limit the amount of the dividend to which the DRP will apply, or suspend the plan.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)

## 8. Investments Accounted for Using the Equity Method

## Investments in associates

Name of Entity	Principal Activity	Ownership Interest		Carrying Amount	
		2008 %	2007 %	2008 \$'000	2007 \$'000
Freighter Maxi-Cube Queensland Pty Ltd	Trailer retailer	36.67	36.67	2,013	1,530
Yangzhou Maxi-Cube Tong Composites Co. Limited	Panel manufacturer	50.00	50.00	1,892	1,949
				<u>3,905</u>	<u>3,479</u>
				<b>2008 \$'000</b>	<b>2007 \$'000</b>

## Movements in carrying amounts of investments in associates

Carrying amount of investments in associates at the beginning of the financial year	3,977	3,263
Dividends from associates	(824)	(531)
Share of associates' profit	725	868
Share of increment/(decrement) in foreign currency reserves	27	(121)
Carrying amount of investments in associates at 31 December	<u>3,905</u>	<u>3,479</u>

## Results of associates

Share of associates' profit from ordinary activities before income tax	1,017	1,170
Share of associates' income tax (expense)/benefit relating to profit from ordinary activities	(292)	(302)
Share of associates' net profit using the equity method	<u>725</u>	<u>868</u>

## Share of post acquisition retained profits and reserves attributable to associates

*Retained profits*

Retained profits attributable to associates at the beginning of the financial year	2,194	1,313
Share of associates' net profits using the equity method	725	868
Profits distributed from associates	(824)	(531)
Retained profits attributable to associates at 31 December	<u>2,095</u>	<u>1,650</u>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)**

**9. Goodwill**

Impairment tests for Goodwill

The Group performed impairment testing pursuant to AASB 136 due to the existence of potential indicators of impairment during the six months ended 31 December 2008. As a result of this testing, the carrying amount of the parts and service cash-generating unit was determined to be higher than its recoverable amount and an impairment loss of \$6,137,000 was recognised (six months ended 31 December 2007: \$nil). The impairment loss was allocated fully to goodwill.

The recoverable amount of the parts and service CGU was determined based on value-in-use calculations. These calculations used cash flow projections based on most recent budgeted projections extrapolated using estimated growth rates. The growth rate used of 4% is based on the Australian Government, Department of Transport and Regional Services, 2004 Auslink White Paper and the post-tax discount rate used was 13.5% (30 June 2008: 12.1%). Any change in assumptions may impact the value-in-use calculation and therefore the carrying value of goodwill and other relevant assets.

Goodwill is allocated to the group's cash-generating units (CGU's) identified according to the business segment.

	31-Dec-08 \$'000	30-Jun-08 \$'000
<b>Segment level summary of the goodwill allocation:</b>		
New trailer and tipper units	3,615	3,615
Parts and service	-	6,137
	<hr/>	<hr/>
	3,615	9,752
	<hr/>	<hr/>

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)**

**10. Issued and Quoted Securities at End of Current Period**

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Issued capital</b>		
171,742,155 (2007: 171,742,155) fully paid ordinary shares	<u>53,406</u>	<u>53,406</u>

**Executive Share and Option Plan**

During the six months ended 31 December 2007 shareholders approved the issue of options to the Managing Director and other members of the senior management team. The Company granted options for no consideration over unissued ordinary shares in MaxiTRANS Industries Limited to the Managing Director and certain senior executives in January 2008 in accordance with plans approved by shareholders at the Annual General Meeting held on 19 October 2007.

In September 2008 options were granted for no consideration to Mr M Mattia, Company Secretary and Chief Financial Officer, over unissued ordinary shares in MaxiTRANS Industries Limited in accordance with plans approved by shareholders at the Annual General Meeting held on 19 October 2007.

*Unissued shares under option*

At the date of this report, unissued ordinary shares of the Company under option are:

Expiry date	Exercise price (\$)	Number of shares
31 December 2013	0.65	5,700,000
31 December 2013	0.62	733,300

Subject to the discretion of the Board, on cessation of employment any options not capable of exercise will lapse. Options not exercised at 31 December 2013 will lapse. Vesting of options is subject to achievement of certain performance hurdles as set out in the Group's Notice of Annual General Meeting and approved by shareholders at the Annual General Meeting held on 19 October 2007. Options may not be exercised unless they vest.

	<b>2008</b>	<b>2007</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>11. Reserves</b>		
Asset revaluation	11,129	5,535
Foreign currency translation	(401)	(382)
Total	<u>10,728</u>	<u>5,153</u>

**Foreign currency translation reserve – movements during the period**

Balance at beginning of year	(428)	(261)
Net exchange difference on translation of foreign associate	27	(121)
	<u>(401)</u>	<u>(382)</u>

**Nature and purpose of reserves**

*Asset revaluation reserve*

The asset revaluation reserve includes the net revaluation increments arising from the revaluation of land and buildings as at 30 June 2008.

*Foreign currency translation reserve*

The foreign currency translation reserve records the foreign currency differences arising from the equity accounting of foreign associates.

## NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)

## 12 Segment Reporting

## Segment Information

It is Group policy that inter-segment pricing is determined on an arm's length basis.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items mainly comprise income-earning assets and revenue, interest-bearing loans, borrowings and expenses, and corporate assets and expenses.

## Six months ended 31 December 2008

Business Segments	Sales of New Trailer & Tipper Units	Spare Parts & Service	Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>					
External segment revenue	123,616	25,586	1,723	-	150,925
Inter-segment revenue	469	2,843	-	(3,312)	-
<b>Total segment revenue</b>	124,085	28,429	1,723	(3,312)	150,925
<b>Segment Result</b>					
Net profit before tax & before impairment charge	8,160	796	95	-	9,051
Impairment charge	-	(6,137)	-	-	(6,137)
	8,160	(5,341)	95	-	2,914
Share of net profit of equity accounted investments					725
Unallocated corporate expenses					(1,972)
Profit from ordinary activities before related income tax expense					1,667
Income tax expense					(1,950)
<b>Net profit</b>					(283)

Depreciation and amortisation	2,403	485	5	-	2,893
Unallocated depreciation and amortisation					123
Total depreciation and amortisation					3,016
<b>Assets</b>					
Segment assets	126,641	29,091	1,928	-	157,660
Unallocated corporate assets					8,485
<b>Consolidated total assets</b>					166,145
<b>Liabilities</b>					
Segment liabilities	13,301	4,152	-	-	17,453
Unallocated corporate liabilities					62,445
<b>Consolidated total liabilities</b>					79,898

Acquisitions of non-current assets	2,727	787	-	-	3,514
Acquisitions of unallocated non-current assets					71
<b>Consolidated total acquisitions of non-current assets</b>					3,585

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)**

**12. Segment Information (continued)**

Six months ended 31 December 2007

<b>Business Segments</b>	Sales of New Trailer & Tipper Units	Spare Parts & Service	Other	Eliminations	
	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Revenue</b>					
External segment revenue	112,849	25,505	2,225	-	140,579
Inter-segment revenue	857	1,554	-	(2,411)	-
<b>Total segment revenue</b>	<b>113,706</b>	<b>27,059</b>	<b>2,225</b>	<b>(2,411)</b>	<b>140,579</b>
<b>Result</b>					
Segment result	9,607	1,930	342		11,879
Share of net profit of equity accounted investments					868
Unallocated corporate expenses					(2,471)
Profit from ordinary activities before related income tax expense					10,276
Income tax expense					(2,535)
<b>Net profit</b>					<b>7,741</b>

Depreciation and amortisation	2,164	469	4		2,637
Unallocated depreciation and amortisation					118
<b>Total depreciation and amortisation</b>					<b>2,755</b>
<b>Assets</b>					
Segment assets	116,569	29,762	597		146,928
Unallocated corporate assets					11,311
<b>Consolidated total assets</b>					<b>158,239</b>
<b>Liabilities</b>					
Segment liabilities	14,051	5,467	-	-	19,518
Unallocated corporate liabilities					57,854
<b>Consolidated total liabilities</b>					<b>77,372</b>

Acquisitions of non-current assets	1,009	394	34	-	1,437
Acquisitions of unallocated non-current assets					252
<b>Consolidated total acquisitions of non-current assets</b>					<b>1,689</b>

**SECONDARY REPORTING**

The consolidated entity's external revenues are predominately derived from customers located within Australia.

The consolidated entity's assets and acquisitions of non-current assets are predominantly located within Australia.

**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (CONT.)**

**12. Events Subsequent to Reporting Date**

The Directors resolved on 20 February 2009 to implement a Share Purchase Plan for shareholders, the terms and conditions of which are being finalised and will be announced separately to shareholders.

There have been no other events subsequent to the reporting date which would have a material effect on the Group's interim financial statements at 31 December 2008.

The half-year report has been subject to review by the independent auditor and the independent auditor's review report is not subject to any qualification.



Marcello Mattia  
Company Secretary

20 February 2009



## **Independent auditor's review report to the members of MaxiTRANS Industries Limited**

### **Report on the financial report**

We have reviewed the accompanying interim financial report of MaxiTRANS Industries Limited, which comprises the consolidated interim balance sheet as at 31 December 2008, income statement, statement of recognised income and expense and cash flow statement for the interim period ended on that date, a statement of accounting policies and other explanatory notes 1 to 12 and the directors' declaration set out on pages 4 to 19, of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the interim period.

#### *Directors' responsibility for the interim financial report*

The directors of the company are responsible for the preparation and fair presentation of the interim financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal control relevant to the preparation and fair presentation of the interim financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's responsibility*

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of Interim and Other Financial Reports Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 31 December 2008 and its performance for the interim period ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of MaxiTRANS Industries Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of an interim financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*.

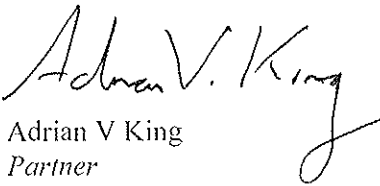
*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of MaxiTRANS Industries Limited is not in accordance with the *Corporations Act 2001*, including:

- (a) giving a true and fair view of the Group's financial position as at 31 December 2008 and of its performance for the interim period ended on that date; and
- (b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

  
Adrian V King  
Partner

Melbourne  
20 February 2009