K&S CORPORATION LIMITED

Half Year Results Presentation

3rd & 4th March 2005

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Agenda

- Half Year Performance
- Outlook Second Half
- Strategy

Half Year Performance

- Operating Revenues up 18.7%.
- New Contracts contributed an additional $9.3 million in operating revenues (Capral, Orrcon & Coca-Cola).
- NZ business units increased operating revenues by $6.0 million.

Half Year Performance cont

- Existing customers sales increased by $11.5 million.
- Overall increase in operating revenue by $26.8 million to $170.3 million.
- Other revenues of $10.8 – major item was sale of Brisbane warehouse complex for $9.4 million.

Half Year Performance cont

- EBIT increased by 27.8% to $12.6 million:

Components of EBIT Increase

Operations	1.4
Brisbane Property Sale	0.5
Buildings Revaluation	0.8
	2.7

Half Year Performance

- Record result $8.0 million PAT up 33.5%.

- Margins remain under pressure as customers look for cost downs.

- Interim dividend up by 1.5 cents to 6.5 cents per share.

Half Year Performance cont

- During half Director’s revalued Group’s land & buildings. This resulted in increasing shareholders funds by $6.5 million.
- With the impact of revaluation and increase in PAT Shareholders Funds increased by 23.5% to $77 million.
- The Group’s net debt reduced by $5.3 million to $29.4 million.

Half Year Performance cont

- Gearing level is at the lower end of target range at 42.9%.
- Gearing is expected to increase over the next 12 months as the Laverton project is completed.

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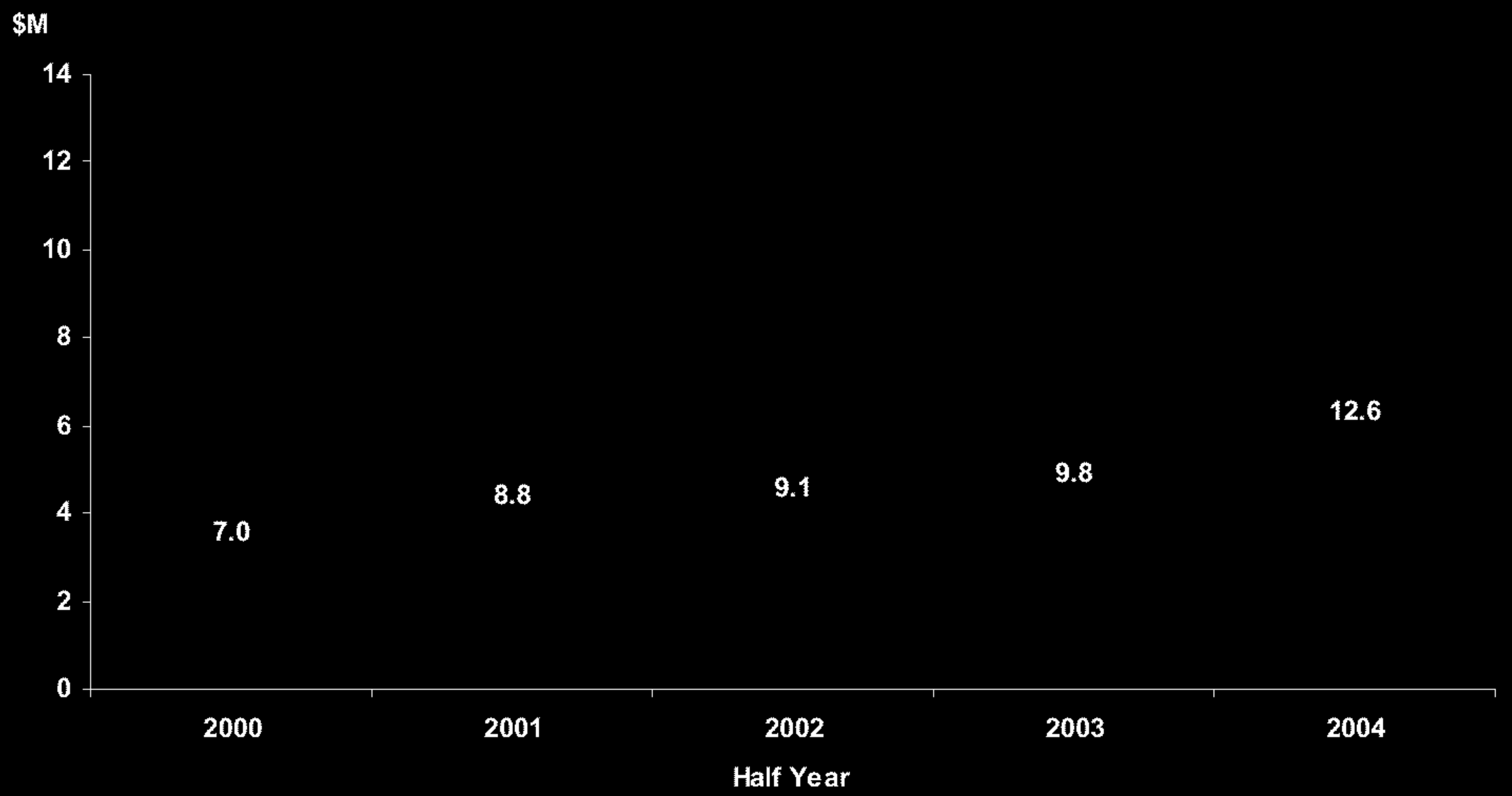
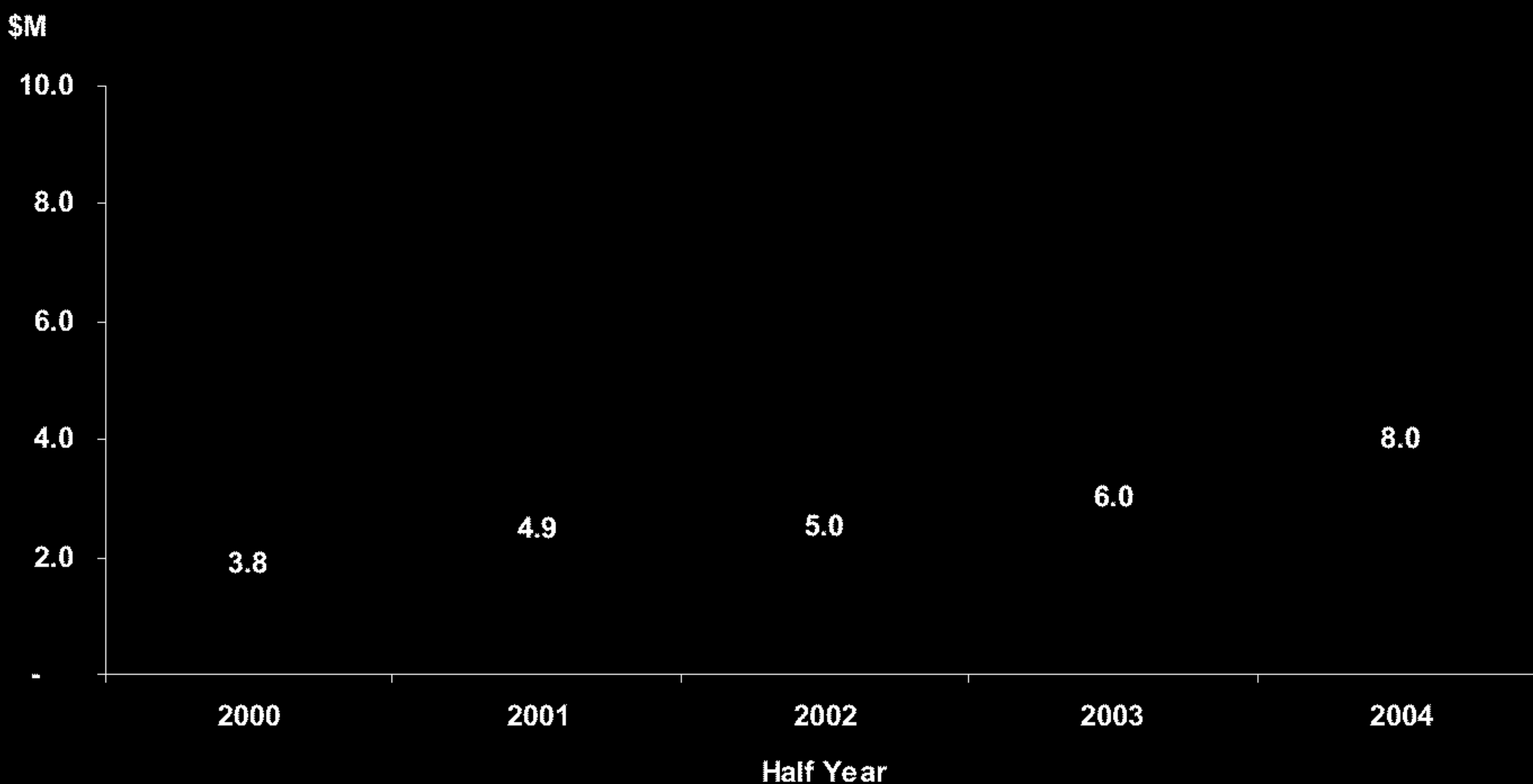
Operating Revenue	$m	170.3	143.6	18.7
EBIT	$m	12.6	9.8	27.8
PAT	$m	8.0	6.0	33.5
Net Borrowings	$m	29.4	43.4	-32.3
Shareholders Funds	$m	77.0	62.4	23.5
Earnings Per Share	Cents	13.3	10.0	33.0
Dividends Per Share	Cents	6.5	5.0	30.0
NTA	$	1.14	0.89	28.1
Return on Shareholders Funds	%	10.4	9.6	8.0
Gearing	%	42.9	80.8	-46.9

EBIT

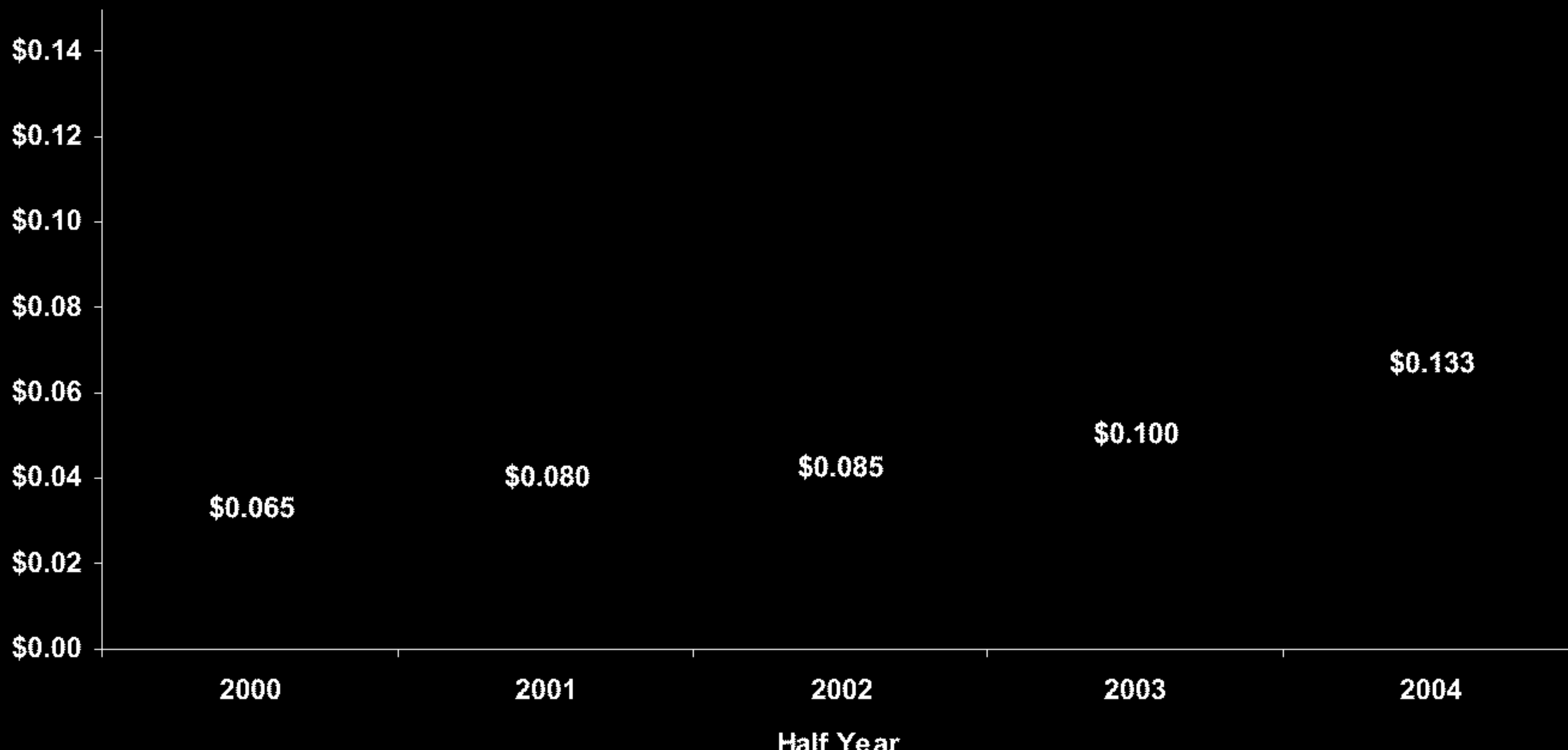


$M
14
12
10
8
6
4
2
0
7.0
8.8
9.1
9.8
12.6
2000
2001
2002
2003
2004
Half Year

PAT

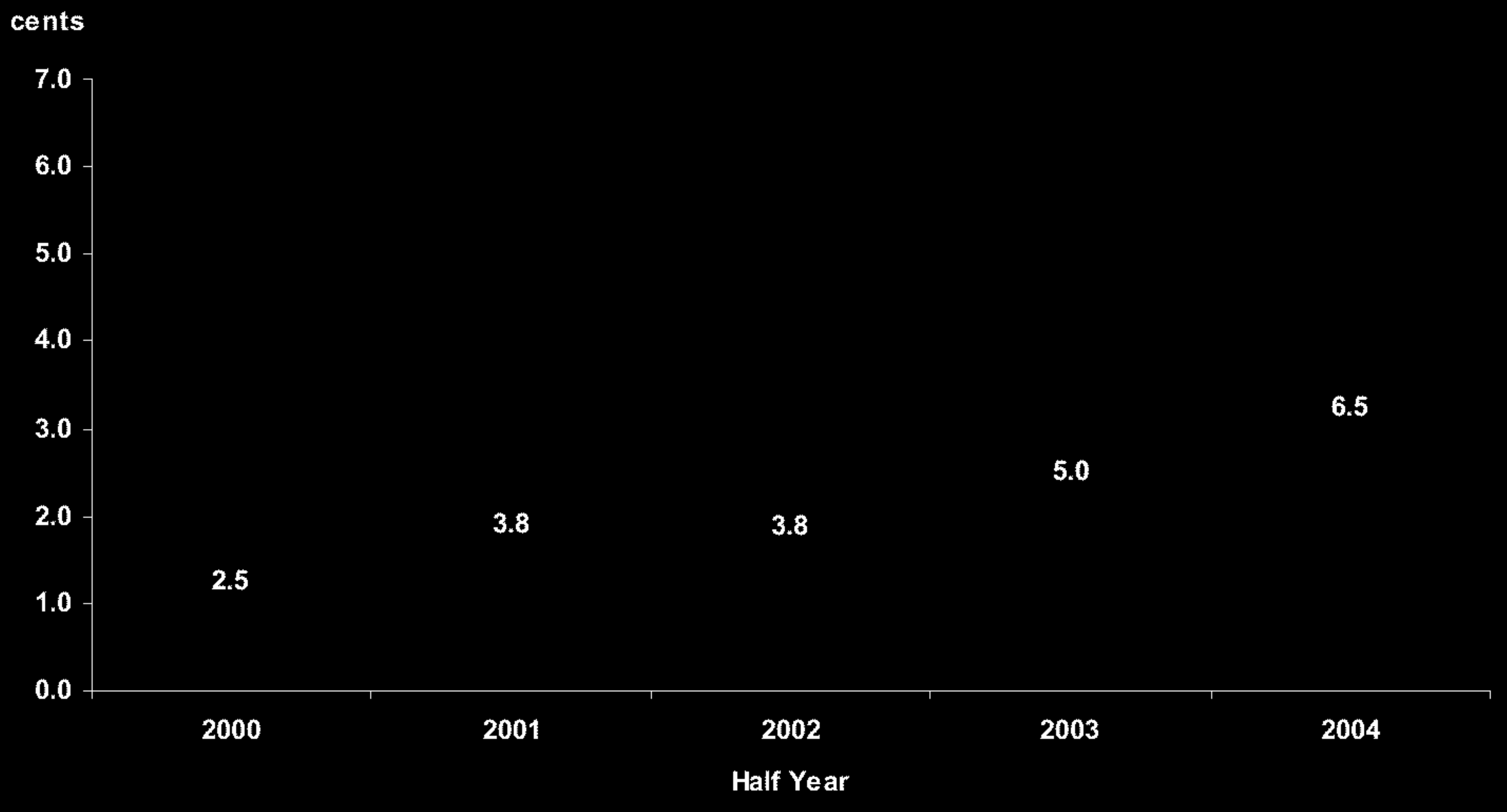

$M
10.0
8.0
6.0
4.0
2.0
-
3.8
4.9
5.0
6.0
8.0
2000
2001
2002
2003
2004
Half Year

EPS



$0.14
$0.12
$0.10
$0.08
$0.06
$0.04
$0.02
$0.00
$0.065
$0.080
$0.085
$0.100
$0.133
2000
2001
2002
2003
2004
Half Year

Dividends Paid



- Full year profit expected to exceed 2003/04 result.
- Sale of existing Melbourne terminal to be completed.
- Strong global economy should help support domestic economy.

- We expect growth in operating revenues in second half.

- There are opportunities in both Australia and New Zealand for growth.

Strategy

- K&S has been in business for over 55 years.
- Core expertise is in the provision of supply chain solutions and the functions that can be leveraged off.
- Our offering includes:-
  - Land, sea & rail capabilities
  - Local transport
  - Warehousing
  - Supply chain IT and reporting capability

Strategy Major Customers

Metals

Smorgon
Alcoa
Capral Aluminium
Crane Aluminium
Orrcon

Paper / Timber

PaperlinX
Norske Skog
Laminex
GTFP
Boral

Bulk

Sugar
QMag

New Zealand

Tenon Ltd
Fonterra

Consumer Goods

Nestle Australia
VisyPak
CUB

- The top 25 customers provide 73% of our revenue.

Strategy cont

- Our strategy is to develop long term alliances with key customers based upon evergreen contracts.

- Development of our supply chain capabilities, which allows us to expand our potential client base and increase yields for higher value services.

Strategy cont

- Where appropriate we have entered into partnership arrangements with other transport and logistics providers to service the needs of major customers.

- We aggressively seek growth opportunities through competitive tendering in both Australia and New Zealand.

Strategy cont

- We continue to target further acquisitions where they meet our overall strategy and objectives.

- Clearly any potential target needs to have long term contracts underpinning their business which provides consistent revenues.

Strategy cont

- Investment and upgrade programs where innovation and IT form key components.
- A key part of our strategy is the common customers in New Zealand and Australia.
- We continually review our asset and equipment base.

Any Questions?


Coca-Cola


K&S FREIGHTERS