

MaxiTRANS Industries Limited

Review
Half Year Ended December 2004

Mission

To be a growing and profitable manufacturer and supplier of high quality, innovative transport equipment, parts, services and solutions that provide our customers with a competitive advantage.

Financial Highlights

	1H F2002 \$000	1H F2003 \$000	1H F2004 \$000	1H F2005 \$000	% Change on 2004
Sales	42,041	56,042	74,916	101,700	+36%
EBITDA	3,626	6,060	8,198	10,154	+24%
EBIT	1,919	4,275	6,006	7,588	+26%
NPBT	1,551	3,656	5,255	6,702	+28%
Significant Items	-	(508)	-	(518)	-
NPAT	1,139	2,653	3,888	4,987	+28%
Operating Cash Flow	3,399	2,750	370	8,650	-
Net Debt	9,802	18,852	24,713	38,961	+58%
Debt/Equity	22%	45%	50%	52%	-
EPS (Basic)	0.68	2.02	2.66	2.91	+9%
Ord. Dividend	0.50	1.00	1.50	2.00	+33%
Dividend as % of EPS	73.5%	49.5%	56.4%	68.7%	-

Highlights

- Parts JV established with Colrain
- Vic Branch unit sales up 45% vs PCP
- Lusty EMS tipper sales up 65% vs PCP
- Van sales up 35% vs PCP
- Two new models launched
- Major contracts won
- Further investment in manufacturing efficiency and process improvement.



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Vans

- Unit sales up 35% vs PCP
- Launched new “Advance” model to penetrate the ice cream and meat market
- Maxi-CUBE Classic retained and selling well into fleet contracts
- Slide-A-Side relaunched August 2004 – demand building.

B-Double Slide-A-Side

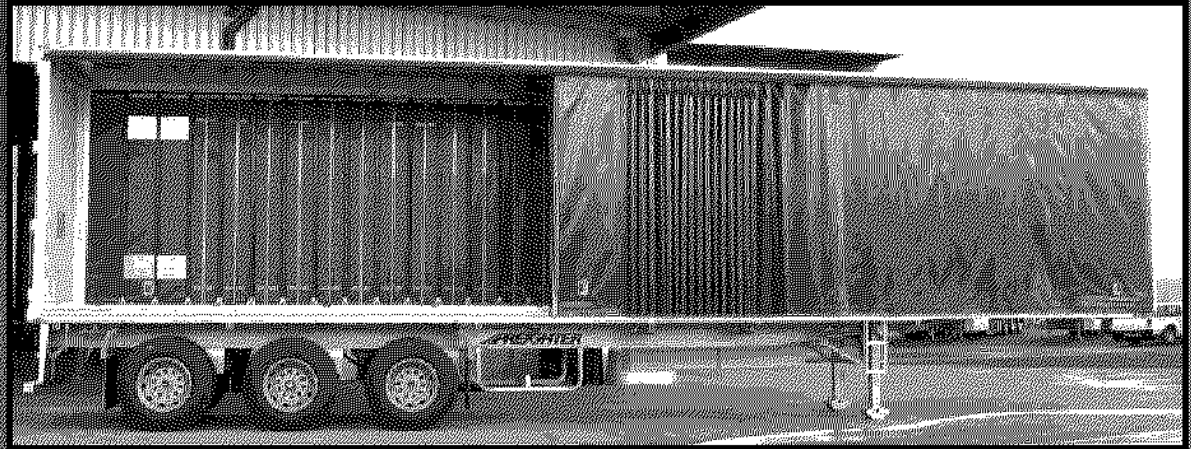


Trailers

FREIGHTER


- Market remains strong
- Order bank out to July
- Demand growing for new Safe-T-Liner
- Sales constrained by labour and skills shortage.

New Freighter
Safe-T-Liner

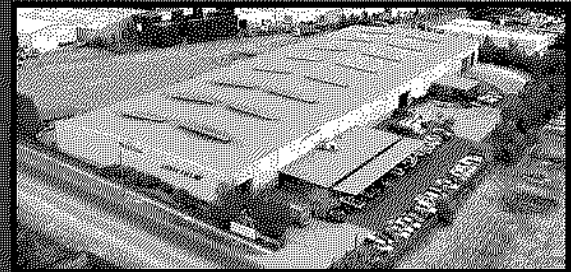


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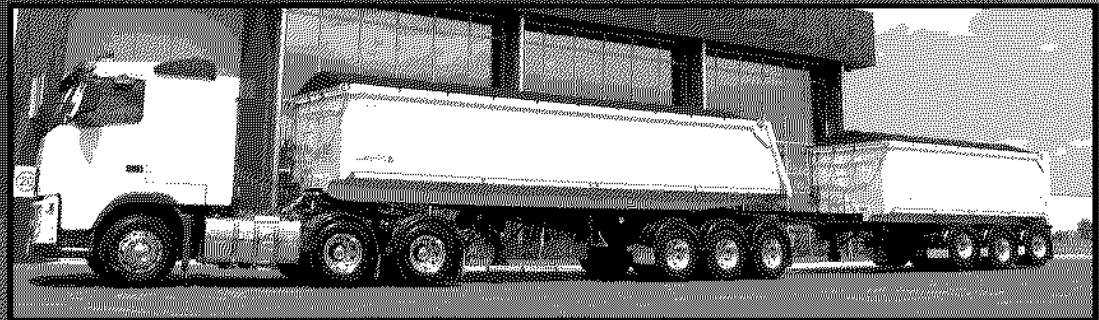
Tipppers

LUSTY EMS 


- Unit sales up 65% on PCP
- “Stag” – unit sales up 144% on PCP
- Expanded distribution
- Production capacity – increased from 4 to 7 per week
- Sydney Consulting project near completion
- Sales constrained by labour and skills shortages.



Lusty EMS
Manufacturing
Facility Brisbane



Stag B-Double Tipper


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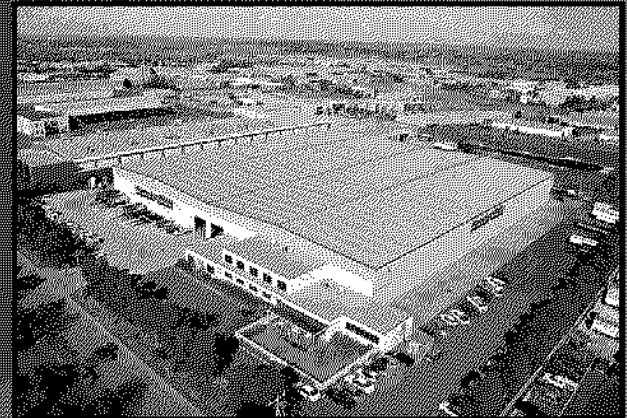
Tippers

Hamele White

- Equipment upgrade commenced
- Strengthened management and systems
- Penrith branch restructured
- Major contract won – record order during first half for delivery 4th quarter.



B-Double Tipper



Melbourne Manufacturing Facility

Operations – Ballarat Manufacturing

- Record output despite continuing skills shortage
- Further capacity increase planned
 - \$3.6m capex
 - New fabrication lines – installed Dec 04
 - New rotators - installed Dec 04
 - Robotics due for installation 2H05
 - Expansion of tipper line this 2H05
 - Outsourced component manufacturing
 - Additional apprentices engaged.



Ballarat
Manufacturing Facility



Operations – Victoria Branch

- Earnings contribution increased by 370% vs PCP
- Unit sales increased 33% vs PCP
- Won major contract
- Tipper orders exceeding expectations.



Victoria Branch
Derrimut

Operations – New Zealand

- Record earnings contribution
- Improved management, processes and operational efficiency
- Strong sales demand and order book
- Success selling Lusty EMS garbage transfer trailers.



Moving Floor Garbage
Transfer Trailer

Parts Joint Venture

- New JV established Dec. 2004 – MaxiTRANS 70% interest
- Total revenue approx \$50m (full year)
- Rationalising operations to:
 - 1 wholesale facility (new warehouse at Derrimut) – March 05
 - 12 retail outlets - completed
- Business managed by Colin Deverson – 40 years experience
- EPS positive
- One off significant expenses to be incurred in F05.

Other Joint Ventures

- **Freighter Maxi-CUBE Queensland**

- Earnings contribution increased by 32% to record level compared to PCP
- Executive shareholders driving business

- **China**

- Earnings contribution from MTC increased by 44% to record level compared to PCP
- Factory being expanded by 50% to meet demand.

Key Issue - Capacity

Providing production capacity to satisfy customer demand:

- Recruiting additional staff
- 25 new apprentices employed in January 2005
- Further 19 apprentices being hired – total 91
- Installation of 3 robots
- Outsourcing sub-assemblies
- Process improvement and improved labour management
- Gain-sharing programmes.

Key Issue – Raw Materials

Managing input cost increases:

- Increases in:
 - Steel
 - Aluminium
 - Resin
 - Tyres
 - Oil derivative products
- Managing the impact on profit through:
 - Price increases to pass on costs
 - Strengthening A\$
 - Long lead times causing drag
 - Group buying power enhanced by acquisitions
 - More effective sourcing

Outlook

- Key economic indicators remain positive
- Order book remains strong for all brands
- Parts JV will be EPS positive
- New products will boost demand and market share
- Increased production capacity and efficiency at Ballarat, Lusty EMS & Hamelex White
- Continue to seek suitable acquisitions.

Market Growth to 2020 (Auslink White Paper)

Figure 3 Total non-bulk freight by mode, 1970–2020

