MaxiTRANS

ASX ANNOUNCEMENT

MARKET UPDATE

MaxiTRANS Industries Limited ('MaxiTRANS') received a price query from the ASX on 9 May 2006.

In response to a query from the ASX as to whether profit for the year ending June 2006 would vary from the previous year by more than 15% the Company answered no. The Company believes that in the absence of further information this range in guidance may be misinterpreted by the market.

By way of clarification, the Company advises that the net profit after tax attributable to the parent entity, after excluding significant items of expense, for the year ending 30 June 2006, calculated in accordance with Australian generally accepted accounting principles ('AGAAP') is expected to be approximately 10% lower than the prior corresponding period.

MARKET UPDATE

In its half year announcements to the ASX the Company indicated that it expected an upturn in order intake for Freighter products and a return to profitability for Colrain following a major restructuring.

The Company also advised that the increase in normalized pre-tax profit for 1H06, which included significant items of expense amounting to $1,754,000, predominantly reflected improved operational efficiency and higher output of Maxi-CUBE and Freighter products offset, in part by, the negative contribution of Colrain, Hamelex White and Peki.

ORDER INTAKE AND DEMAND

Since January 2006 the demand for Freighter trailers has been softening to the extent that we have found it necessary to reduce our build rates and reduce the casual workforce at our Ballarat plant.

While demand for Maxi-CUBE vans has been strong year-to-date we are now experiencing a slow down in order intake but note that there is an encouraging amount of order enquiry and quotation for delivery in FY2007.

Peki is also experiencing a slow down in order intake. Despite a negative contribution for 1H06 Peki will make a positive contribution to the group result for FY2006.

Lusty EMS has experienced an upturn in demand over the last 3 months.

Demand for Hamelex White products has remained relatively subdued.

While MaxiTRANS New Zealand will achieve record earnings in FY2006 this has largely been achieved in 1H06, with demand in the New Zealand trailer market softening since January 2006.

Colrain

While Colrain has put in place a new sales structure and made progress in revamping the warehousing and distribution functions, the wholesale and manufacturing operations have continued to under perform, particularly in April 2006 when a significant loss was incurred, due in the main to very poor sales, which appears to have been an industry wide issue. Accordingly, contrary to the Company's expectations, Colrain will not make a positive contribution for 2H06.

China

While the Company has not completed an acquisition of a majority interest in a JV in China we remain committed to our China strategy. China is the fastest growing market in the world and a JV interest would provide MaxiTRANS with a stake in the second largest trailing equipment market in the world, as well as providing geographical diversification.
The Company is continuing to explore JV opportunities in the trailer equipment manufacturing market in China.

Outlook

With regard to the future demand for road transport equipment, the present slow down in demand in the trailer and van segments is the first to occur for many years. The Company anticipates that demand in FY2007 in these segments will remain subdued. However, in the longer term, the Company remains confident of continued strong demand for its products given the Federal government's White Paper, which forecasts demand for road transport to grow over the next 14 years at an average of 3.5% per annum.

Colrain – The Company remains committed to its parts strategy and believe that we now have the people and systems in place to deliver improved performance.
The Company expects Colrain to continue to increase revenue through improved sales representation and coverage. With improved warehousing and distribution efficiency, a positive contribution to group earnings is anticipated in FY2007.

Hamelex White - Approval in principle by the Board has been given for Hamelex White to make a significant investment in robotic technology and upgrade facilities to facilitate an increase in production capacity, quality and efficiency from 4Q07.

With the benefit from programs designed to increase operational efficiency, including robotics, the Company expects to achieve an increase in earnings in FY2007. This outlook is predicated on no further softening of the current market conditions.

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

Ian Davis	Michael Brockhoff
Chairman	Managing Director

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