



Introduction from MD

Welcome to the inaugural edition of 'In Motion' – the Silver Chef Investor Newsletter. As a company we realise the importance of you – our shareholder – and as such we are keen to keep you as up-to-date as possible about the exciting direction the company is taking. This includes everything from marketing and sales updates through to client case studies and news about our national dealer network. Of course, we are also keen for your feedback so please don't hesitate to contact us at anytime.

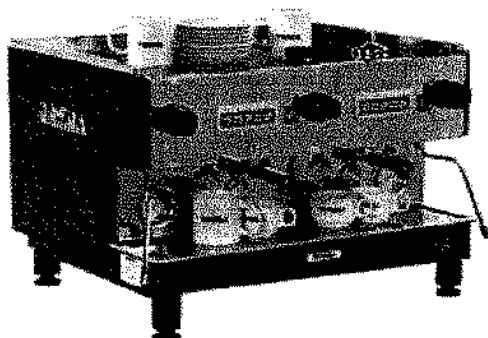
So far in 2006, from a strategic perspective, we have been busy. After our float in 2005 we are now at the next stage of funding and I am pleased to announce we have secured a \$30 million line of funds through Fortress, an American based investment/hedge fund. This deal will now enable the company to move to the next level and importantly, will allow us to take the Rent-Try-Buy® Solution to the broader market.

The day-to-day side of the business has been hectic with an increasing number of dealers across the country joining the Silver Chef Program. Further, we have had a number of exciting projects and initiatives launched in marketing, HR, and sales – all of which you can read about below in the first edition of 'In Motion'.

Allan English, Nov 2006

Rogen Training

One of the exciting initiatives introduced during 2006 are the Silver Chef Training Modules. These modules were developed in conjunction with Rogen International – a leading international training organisation whose major achievements include coaching the successful Sydney Olympics bid team. The training encompasses 3 modules which provide extensive product training on the Rent-Try-Buy® Solution to our Dealer network – this is vital as the definition of a 'successful dealer' for us is one who knows and understands our product and how to sell it. Further, as a value-add to the dealer network, we have created an additional 3 modules designed specifically to improve the sales skills and abilities of our dealer sales reps. This was identified as a significant need across the industry and the feedback to-date has been extremely positive.



Turning Twenty



Allan English (MD), Tessa English & Jim Quinn (GM)

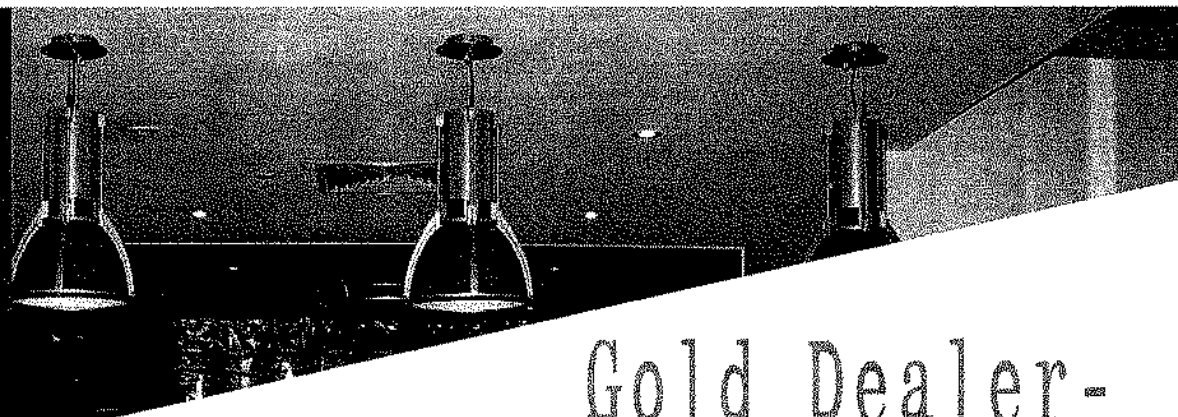
In August this year Silver Chef achieved a significant milestone – we turned 20. So on the 1st September at Brisbane's well known Brett's Wharf, we held a 20th Anniversary bash that went off with a bang. With the Brisbane River as the backdrop, the night was a tremendous success with dealers arriving from all over Queensland for the event. A similar night was held in Melbourne on the 11th September for the Victorian & NSW dealers at the Crown Casino at Southbank. Over 100 dealers attended both events to show their support for Silver Chef.

Founder and Managing Director Allan English spoke at both events and was received with great enthusiasm, thanking both dealers and staff for their commitment and support over the last 20 years. Allan gave a final thank you to Silver Chef customers, acknowledging their great importance and the integral role they play in the success of the company.

In Motion



SILVER CHEF
EQUIPMENT RENT•TRY•BUY



INVESTOR IN PEOPLE

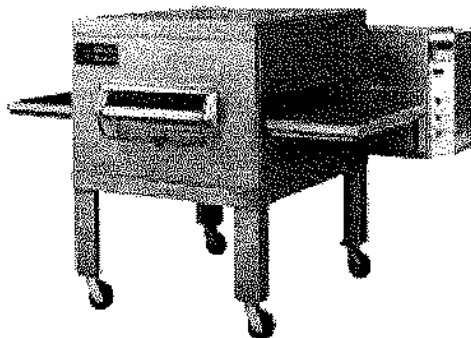
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The Investors in People is an internationally accepted standard concerned with achieving best practice in the management and development of people to deliver organisational goals. Further, it assists the company in building a framework for ongoing evaluation and improvement.

Organisations that are independently assessed as meeting the IIP standard, can claim to be achieving international best practice in human resource management.

We are pleased to announce that Silver Chef has been accredited with the international 'Investor in People Standard' for a number of years and continued its accreditation in 2006. Interestingly, the auditors report commented on how enthusiastic staff are about the future of Silver Chef and also the commitment of the management team in supporting the development of their people.

Finally, we are pleased to inform you that Silver Chef is on target to meet the new standards in 2007 thereby raising the bar even further!



Gold Dealer-Program

As many of you are aware, the Silver Chef Business Model involves the remarketing of Used Equipment (e.g. returned assets). As the business experiences rapid growth, management has identified the need to produce more effective and cost-efficient remarketing strategies.

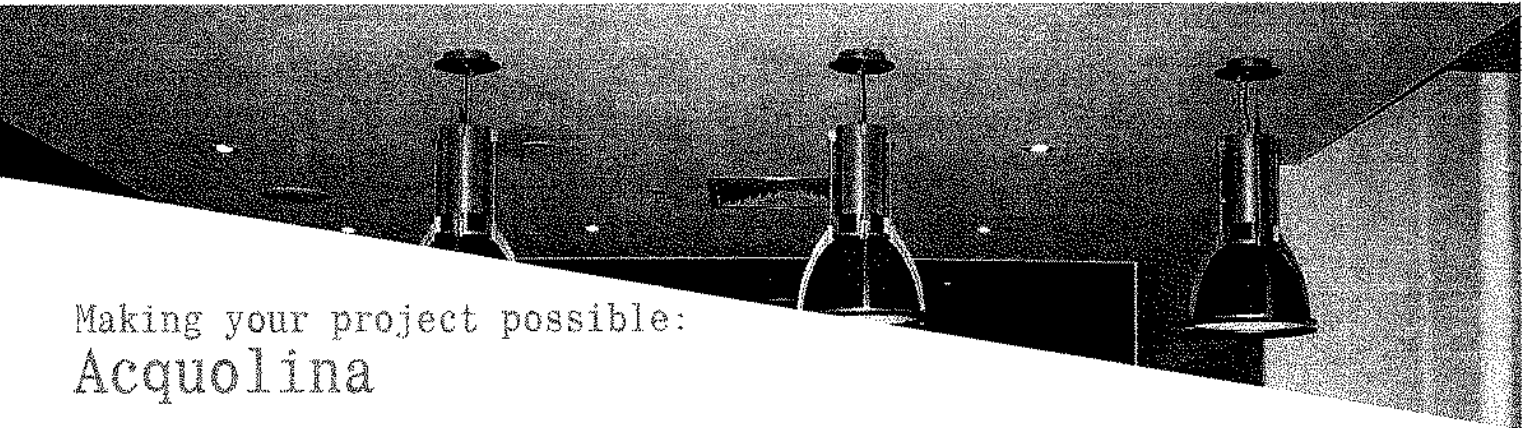
In September we launched our Gold Level Dealer Program – a program where select Dealers have been appointed in each region to drive used equipment sales. Silver Chef will be working closely with these Dealers to drive sales and they will be offered increased marketing support to help them achieve particular goals.



One of our key initiatives is to drive a significant number of sales leads via the Silver Chef website. These are passed back to the Gold Level Dealer Network, helping us achieve our Used Equipment Goals plus adding significant value to our top dealers. Currently we are supplying over 50 sales leads per week.

In order to ensure we are receiving significant levels of traffic, we have implemented online marketing campaigns across sites such as Google, NineMSN, Yahoo, the Trading Post, and Dealer Websites.

Further, as part of the program we are offering Gold Level Dealers the option of maintaining used stock in their own show rooms – this has 2 key benefits for us. Firstly, it alleviates the pressure from the Silver Chef warehouse and secondly, a dealer has a higher conversion rate on stock they choose to warehouse.



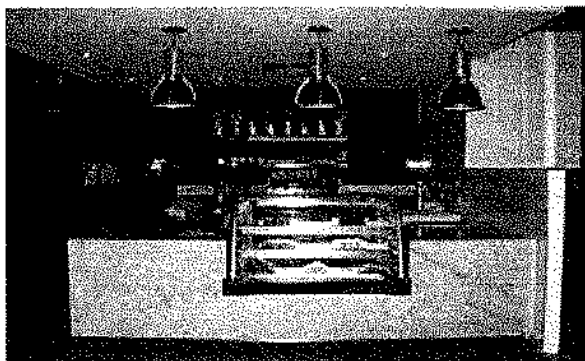
Making your project possible: Acquolina

Acquiring the necessary funds to open and run a start-up or growing business in the hospitality industry is difficult, if not impossible for the majority of businesses. Previously, establishments have had to spend significant amounts of time raising funds to start their businesses.

"We would have had to alter our entire business plan to raise large amounts of capital before banks would even have looked at us", said Peter Keogh, owner and manager of Acquolina Bar & Bistro.

Acquolina, a modern Italian Bar & Bistro, is one of several fantastic new restaurants that opened only 5 weeks ago on the Brisbane River at the new luxury Portside development. Boasting seating for up to 250 guests and 25 staff, the restaurant offers both a Tapas and A la Carte menu and has been fitted with a wide range of equipment, financed by Silver Chef, ranging from stainless steel benching and exhaust hoods, to dry bench tops and refrigeration units.

For Acquolina, the Rent-Try-Buy® Solution has meant more options and a different alternative to traditional financing methods. As Peter Keogh states, "Everyone knows the first 6-8 months is the hardest time for a business... with Rent-Try-Buy®, there were no directors' guarantees, I was able to plan 8 months in advance because I knew Silver Chef would assist in the package and it freed up my working capital. The process is easy, non-restricting and manageable. Previously, I would have had to spend a long time raising capital - Rent-Try-Buy® made my whole project possible."



Getting More From Our Database

Silver Chef has implemented a number of new database marketing strategies since June 2006 in an effort to attract further business from existing Silver Chef customers. These include:

- **Retention Package** – Launched 1st May 2006, this strategy is aimed at reducing the number of existing customers that pay out or hand back their equipment at the end of their 12 month rental agreement. Customer Service advise clients that they can save 25% on their existing rental agreement if they choose to sign up for a further 12 months. The strategy has now been running for 6 months with a total of 155 contracts retained totalling \$1,743,988.90.
- **Lost Sales** – While retaining existing customers is an important area for Silver Chef, there are a number of sales that are lost each month due to various reasons such as a project being delayed. In an effort to 'recover' these sales, we have introduced the 'Lost Sales Program'. Silver Chef captures all prospect details and runs marketing campaigns aimed at 'recapturing' these customers. Since the introduction of this program – only 6 weeks in total – the dollar value of reactivated lost sales is \$96,726.38.
- **New Software Launch** – In Dec '06, the company will be launching a more sophisticated internal software program, enabling better database marketing strategies to our existing customers. This is an exciting initiative which we envisage bringing in significant amounts of business.

DEALER PROFILE

Now with over 250 Dealers nationally, we thought we'd take this opportunity to identify exactly who our dealers are and how they operate - we'd like to introduce you to one of our leading dealers, Ron Power & Associates.



Ron Power & Kathy Griffiths - Ron Power & Associates

Two time winner of the 2004 and 2006 Restaurant and Caterers Association "Award For Excellence" in both Equipment Package and Best Equipment Supplier, Ron Power & Associates attribute their success to their goals of exemplary customer service and the Silver Chef Rent-Try-Buy® Solution. While still successful previous to Rent-Try-Buy®, Ron Power & Associates battled to get customers over the line as consumers struggled to acquire financing from the banks.

As Ron Power, owner and operator of Ron Power and Associates says, "It wasn't that long ago restaurant owners had to find cash or finance....but now, rental equipment is available, with both restaurateurs and their accountants acknowledging the tax benefits. As Gold Level Dealers with Silver Chef, we are able to offer this alternative."

The Rent-Try-Buy® Solution offers dealers a unique selling point; it's an alternative option not provided by traditional financiers, freeing up that valuable working capital and opening up customers' options.

A successful dealer, Ron Power & Associates is a typical Silver Chef dealer and one of our most supportive, providing a wide range of equipment ranging from coffee machines to stainless steel benches and exhaust hoods. Since becoming a dealer with Silver Chef five years ago, Ron Power & Associates has seen significant changes. "There has been a direct positive correlation between the amount we have pushed the Silver Chef Rent-Try-Buy® Solution and our conversion rate," states Mr Power.

The dealership has seen a number of benefits surface over the last three years including increased repeat business, access to a broader customer database by being able to provide a wider range of equipment as a result of the SWIFT option and the Silver Chef Gold Level Used Equipment Program. Kathy Griffiths, partner at Ron Power & Associates says, "The Rent-Try-Buy® solution is a unique selling point for us and provides us with an alternative we can offer to our customers".

Who is Silver Chef Limited

Silver Chef is an equipment finance company, established in 1986, which provides business owners the ability to secure the equipment they need with a low weekly rental fee. The Silver Chef Rent-Try-Buy® Solution, a 12 month rental agreement, provides the flexibility to purchase the equipment at anytime during the first 12 months and receive a 75% rental rebate.

Silver Chef operates nationally, has over 4,000 customers (a customer pays a 13 week Security Bond and rental repayments are a weekly direct debit) and a network of over 250 dealers. Whilst operating predominantly in the food services sector, the company has expanded to include the audio & lighting and industrial compressor sectors. Further, the company's strategy is to develop further alliance partnerships in new industries and sectors to drive future growth.

The average bad debt has been less than 1.6% of rental income over the last five years. Gross Rental return, net of depreciation, is greater than 40% on average assets for the last 3 years.



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Phone: 07 3335 3300 Fax: 07 3335 3399

www.silverchef.com.au