



KORVEST LTD

ABN 20 007 698 106

PRESS RELEASE

The Chairman, Mr Peter Stancliffe, today announced the following operating results for the 6 months ended 31st December 2009 for Korvest Ltd and its controlled entities.

	6 MONTHS TO 31/12/09 \$'000	6 MONTHS TO 31/12/08 \$'000	% CHANGE
Revenues	28,398	34,367	- 17.4%
Operating Profit After Tax	2,526	2,921	- 13.5%
Earnings per share (cents)	29.4	33.9	- 13.3%
Dividends per share (cents)	17.0	17.0	-%

Mr Stancliffe said that in line with the guidance given at the Annual General Meeting revenue from trading operations for the half-year decreased by 17.4% to \$28.398m whilst profit after tax for the period decreased by 13.5% to \$2.526m. Mr Stancliffe noted that included in the profit after tax is a foreign currency translation expense of \$0.1m relating to the non-operating New Zealand subsidiary that was deregistered in August 2009. Excluding the impact of this one-off item the underlying trading profit after tax for the half year decreased by 10.1%. These results reflected the weaker market conditions in the mining and infrastructure industries over the period under review and in particular the caution taken in commencing projects given the global economic circumstances.

EzyStrut experienced a reduction in project work in the half year and whilst "day-to-day" business remained strong the general conditions reflected those experienced late in FY2009. Putting aside seasonal factors the latter part of the first half did show signs that activity in the market was improving.

The Galvanising business experienced difficult trading conditions during the first half with weaker demand in the industry experienced for much of the first half. Overall plant volumes decreased although increased activity from the Indax business mitigated the decline in general work available in the greater market. The plant continues to operate efficiently and to make process and productivity improvements. During the recent Christmas 2009 shut-down period the galvanising bath was successfully replaced. This is a "once a

decade” task and it was pleasing that production recommenced in early January 2010 as planned.

Indax, the walkway and handrail business, continued to focus on growing market share and in particular establishing a customer base outside of South Australia. The Company was most successful in the Queensland market where the benefits of dedicated sales representation in that state were clear. As a result of that success Indax will be opening a Queensland fabrication facility in March 2010 to better service the large Queensland market and to increase overall fabrication capacity and flexibility for the business. The order book for Indax remains strong.

DIVIDEND

The Directors announced an unchanged fully franked final dividend of 17.0 cents per share. The dividend will be paid on 5th March 2010. The record date is 19th February 2010.

OUTLOOK

There are indications that the markets that Korvest operates in could improve in the second half of F2010. In light of this it is expected that the full year’s results should be in line with last year’s.

P W STANCLIFFE CHAIRMAN

28 January 2010

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