



Annual General Meeting

Monday 21 November 2011



Significant restructuring in BSI:

Financial Restructuring

- Provision of funds of \$6 million from Investec Bank (Australia) and pro-rata rights issue underwritten by Rod Butterss and Mark Kellett
- Funds were used to repay finance facilities with National Australia Bank

Board Restructuring

- Mark Kellett joined the Board

Business Restructuring

- Supply Agreement with Summit 7
- Alliance with Alinta Apparel Pty Ltd
- Acquisition of Primary Edge Pty Ltd
- Closure of Queensland manufacturing (18/11/2011)

Introduction



- NPAT of \$340,000 versus \$581,000 in the previous year
 - Result included \$750,000 of costs related to the debt refinance
- Revenue reductions as a result of exit of events, unprofitable licenses and events along with a 'softer' school market
- Cost base significantly reduced
- Total liabilities reduced by \$2,904,000
- Most significantly current liabilities decreased by \$8,511,000
- Net assets increased by \$1,941,000

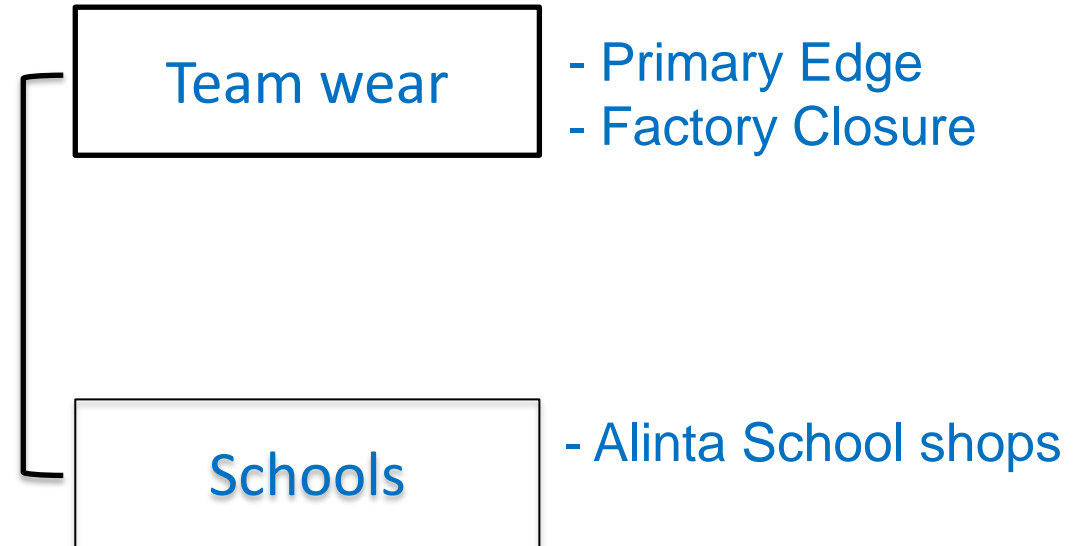
FY11 Financials



SUPPLY



MARKETS



Enhanced Strategic Position



Summit 7

- Chinese based manufacturer which supplies exclusively to BSI
- Significant cost reduction
- Significant lead time reduction
- Has enabled the closure of domestic manufacturing (\$600,000 saving)

Primary Edge

- Enables move into cricket with Cricket Victoria licence and local clubs
- Further increased BSI share in AFL with Victorian Amateur Football Licence
- Already signed on a further 2 licences – MSJFL and EDFL

Alinta

- Provides total outsource school shop solution for schools
- Alliance with Kea provides both a supply option for Kea and the ability for Kea to market the total package via the alliance

Enhanced Strategic Position



- Financial restructure complete
- Net asset position enhanced
- Current liabilities dramatically reduced
- Strategic initiatives with potential benefits are being undertaken:
 - Summit 7 Supply Arrangement
 - Closure of Queensland (Profit impact / cash benefit)
 - Alinta alliance
 - Primary Edge acquisition
- Trading conditions remain extremely difficult
- Strategic initiatives being undertaken are anticipated to assist BSI during the full 12 month period despite the economic downturn

Summary

