



KORVEST LTD

ABN 20 007 698 106

PRESS RELEASE

KORVEST ANNOUNCES RECORD PROFIT AND DIVIDEND

The Chairman, Mr Peter Stancliffe, today announced the following operating results for the 12 months ended 30th June 2012 for Korvest Ltd.

| | 12 MONTHS TO 30/06/12 \$'000 | 12 MONTHS TO 30/06/11 \$'000 | % CHANGE |
|-----------------------------|------------------------------------|------------------------------------|-------------|
| Revenues | 72,322 | 67,384 | +7.3% |
| Operating Profit After Tax | 6,201 | 4,221 | +46.9% |
| Earnings per share (cents) | 71.6 | 48.9 | +46.4% |
| Dividends per share (cents) | 53.0 | 26.0 | +103.8% |

Mr Stancliffe said that the full year operating profit was in line with previous guidance. Mr Stancliffe noted that “it was pleasing to produce a record profit with all Korvest businesses improving their results compared to the prior year. The record first half laid a strong foundation for the full year result, however the second half performance was also good given that the major projects which had underpinned the first half result were largely completed prior to December 2011.”

In the Industrial Products group the EzyStrut cable and pipe support business supplies products to contractors for small industrial developments and for major infrastructure developments. During the current year a number of major projects in the Eastern States and in Western Australia have contributed positively to the improved performance for this business. Whilst the major impact of those projects was reflected in the first half result, some smaller, yet still significant projects were supplied in the second half. In May 2012 administrators were appointed to the Hastie Group of companies. At the time Hastie Group companies owed Korvest a total of \$564,000 with all but \$6,000 of the debt being within trading terms. The full amount of this debt (excluding GST) has been provided for in the second half affecting the result of the EzyStrut business. This detracted from what was otherwise an excellent result. During the year Korvest continued to invest in machinery upgrades at the EzyStrut Kilburn factory to produce higher quality products at improved lead times.

Included in the Industrial Products group is the Indax grating and stanchion business. Indax’s performance improved during the current year but further improvement is required to achieve a satisfactory performance. Margin

pressure remained in this business during the year however as surplus capacity in the market has shrunk during the latter part of the year there has been evidence that market prices are beginning to respond accordingly. Sales from the Western Australian market improved over the course of the year and contributed positively to the Indax performance.

In the Production group the Galvanising business improved. The level of project work in the South Australian market increased during the current year. Overall plant volumes were up for the year with the improved performance in the Industrial Products segment contributing significantly to increased internal volumes. This enabled the plant to operate more efficiently. The spin plant volumes increased during the current year due to project wins by Korvest's major customers and this contributed positively to the overall improved result for the business.

DIVIDEND

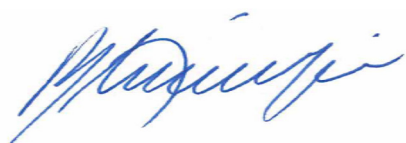
The Directors announced a fully franked final dividend of 30.0 cents per share. The full year dividend in relation to the 2012 year will be 53 cents per share (including the 5c interim special dividend) compared to 26 cents per share for the previous year.

Having regard for the strength of the Korvest balance sheet, the cash reserves and the available franking credits, the Directors have revised the dividend payout policy to 100% of after tax profits. The final dividend of 30.0 cents per share reflects this new payout policy.

The final dividend will be paid on 6th September 2012. The record date for the dividend will be 23rd August 2012. The dividend reinvestment plan remains suspended.

OUTLOOK

Korvest's businesses service a number of major markets including mining, oil & gas; infrastructure; commercial and industrial. Activity in a number of these markets is expected to remain at least at current levels over the course of the coming financial year. Korvest's national footprint and strong market position means that it is well placed to take advantage of opportunities as they arise in these markets. As a result Korvest is expected to produce a satisfactory result in the 2013 year. An updated guidance will be provided at the Company's Annual General Meeting.



P.W. STANCLIFFE
CHAIRMAN

26 July 2012

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