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ASX Release

Trading Update

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In January 2014 guidance was provided that the overall level of activity experienced in the first half was expected to continue at similar or slightly improved levels into the second half and consequently the second half result would continue the trend of the first half.

Orders from a number of projects have meant that in overall terms second half trading conditions have shown more substantial improvement when compared to the first half than was contemplated in January. It is now expected that second half trading will be at levels approximately 20% greater than those of the first half. This forecast is based on expected delivery requirements for a number of larger EzyStrut projects, the timing of which is uncertain at this stage. It is possible that the timing of some larger project orders may result however in delivery early in the new financial year.

The expansion of the EzyStrut business has created capacity challenges on the Kilburn manufacturing site as requirements have outstripped the available space. In considering options to remedy space constraints, the Board has agreed today that the best outcome would be for EzyStrut to take over the Kilburn facility that is currently being occupied by the smaller Indax business. The Board considers that Korvest's overall results would be improved by having EzyStrut rather than Indax utilise that facility.

As a result Management will explore the best options for a disposal of the Indax business. There may be some impairment costs as a consequence however these are unable to be quantified at this time until the various options have been fully explored.

For further information please contact:

Mr Alexander Kachellek
Managing Director
Korvest Ltd
0423 847 627

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