



6 May 2010

First quarter trading update – three months to 30 April 2010

Financial results

- **Total Revenue \$285.9m - down 2.7%**
- **Gross Profit \$78.9m - down 0.9%**
- **Operating expenses up 3.1%**
- **EBIT \$15.9m - down 15.2%**
- **Interest charges up materially**

Note (1) - the three month period under review includes one less trading day than the previous corresponding period.

Note (2) - The result excludes expenses in relation to the Staples, Inc. Takeover Offer. These expenses will be in the range \$8.5m to \$10.0m. This total also includes the expensing of the Long Term Incentive Program (LTIP).

As previously foreshadowed at the full year results presentation and in the company's Target's Statement, despite signs that business optimism is recovering in Australia and New Zealand, the market remains challenging and is likely to remain subdued for the balance of first half of 2010.

Expenses are higher for the first quarter of 2010 due to a combination of one-off employee charges, and costs associated with implementing our strategy. This includes investments in marketing and building our sales force.

Financial Summary *

	3 months to 30/04/2010 \$'000	3 months to 30/4/2009 \$'000	Year on year change %
Total Revenue	285,896	293,880	(2.7%)
Gross profit	78,936	79,655	(0.9%)
Gross Profit %	27.6%	27.1%	50bps
Operating expenses	64,171	62,235	(3.1%)
EBIT	15,861	18,710	(15.2%)
EBIT % to total revenue	5.5%	6.4%	(90bps)
Net Profit after Tax	8,460	11,272	(24.9%)

* All figures are unaudited

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