

NEWS RELEASE

8th April 2011

K&S Corporation Limited Trading Update

Weaker trading conditions within K&S Corporation Limited's ("K&S") east coast operations continued into the March 2011 quarter. This was driven by the ongoing effects of the softening of the economy witnessed in the first half of the 2011 financial year and resulted in the majority of K&S' road and rail customer volumes remaining flat. The position in the March 2011 quarter was exacerbated by floods in Queensland, New South Wales, Victoria and the Nullarbor, as well as by Cyclone Yasi, all of which impacted on operations and underlying volumes.

K&S is now seeing road volumes strengthening and rail volumes stabilising in its east coast operations. K&S is also seeing domestic steel volumes recovering on the back of several infrastructure projects. However, the outlook for the domestic economy remains far from certain with the high Australian dollar and interest rates impacting on Australian manufacturers.

As a result, K&S now expects performance for the 2011 financial year to be lower than the previous corresponding period. K&S expects net profit after tax for the 2011 financial year to be in the range of 15% to 20% below reported net profit after tax realised in the 2010 financial year.

K&S remains confident that we have strategically positioned the business to benefit from the increased activity in the oil and gas and resources sector in Western Australia. K&S will continue to focus on the identification and implementation of longer-term growth initiatives which include opportunities in the oil, gas and resources sectors in Western Australia.

Further Information:

Mr Legh Winser
Managing Director

Ph: (08) 8721 1703

Legh.Winser@ksgroup.com.au

K&S Corporation Limited

ABN 67 007 561 837

141-147 Jubilee Highway West

Mount Gambier SA 5290

PO Box 567

Mount Gambier SA 5290

Australia

Ph (08) 87211700

Fax (08) 87211799

Website

www.ksgroup.com.au