

HY 2013 Results Presentation

March 2013



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HY 2013 Results Presentation



HY2013 Highlights

- Revenue growth of 8% to \$293.5 million
- Profit after tax increases by 37.2%
- Strong performance by Western Australian business
- Increased volume with CHEP
- Organic growth in Steel Business
- Balance Sheet remains in a strong position with gearing at 21.8%

HY2013 Results

- East Coast operations continue to experience the effects of the high A\$.
- On the West Coast we have seen the positive impacts of the mining industry.
- Our strong first half performance has been underpinned by the strength of our Western Australian operation and the better performance of our East Coast contract distribution business.
- We still have a number of challenges in our East Coast linehaul business due to the depressed volumes.
- Economic trading conditions for our East Coast customers continued to be subdued in the first half.

HY2013 Results

- In Western Australia where Regal Transport enjoyed solid 32% revenue growth based on mining expansion in the Pilbara and Kimberley regions.
- With the acquisition of Bunbury based Collare Transport we expect to see further improvement in our timber business.
- Our Western Australian business looks set to experience growth in the second half.
- K&S is well placed with a strong Balance Sheet, low gearing and secure customer contracts.

Half Year Result

Half Year ended 31 December	2012	2011	Variance
Revenue (\$m)	293.5	271.8	8.0%
EBITDA (\$m)	29.3	26.6	10.2%
<i>EBITDA margin</i>	<i>10.0%</i>	<i>9.8%</i>	
EBIT (\$m)	16.7	14.1	18.4%
<i>EBIT margin</i>	<i>5.7%</i>	<i>5.2%</i>	
Less Net Interest (\$m)	(2.8)	(3.7)	
Net Profit Before Tax (\$m)	13.9	10.4	33.7%
Less Tax (\$m)	(3.9)	(3.0)	
Net Profit After Tax (\$m)	10.1	7.4	36.5%
EPS (cents)	11.3	8.5	32.9%
Dividend Per Share (cents)	6.5	5.0	30.0%
<i>Franking</i>	100%	100%	

2012 Segment Performance

Half Year ended 31 December	Australian Transport	Fuels	New Zealand Transport
Revenue (\$m)	252.7	30.8	9.9
EBITDA (\$m)	27.2	0.6	1.5
<i>EBITDA margin</i>	<i>10.8%</i>	<i>1.9%</i>	<i>15.2%</i>
EBIT (\$m)	15.9	0.5	0.3
<i>EBIT margin</i>	<i>6.3%</i>	<i>1.6%</i>	<i>3.0%</i>
Less Net Interest (\$m)	(2.6)	-	(0.2)
Net Profit Before Tax (\$m)	13.3	0.5	0.1
Less Tax (\$m)	(3.7)	(0.1)	-
Net Profit After Tax (\$m)	9.6	0.4	0.1

Balance Sheet Summary

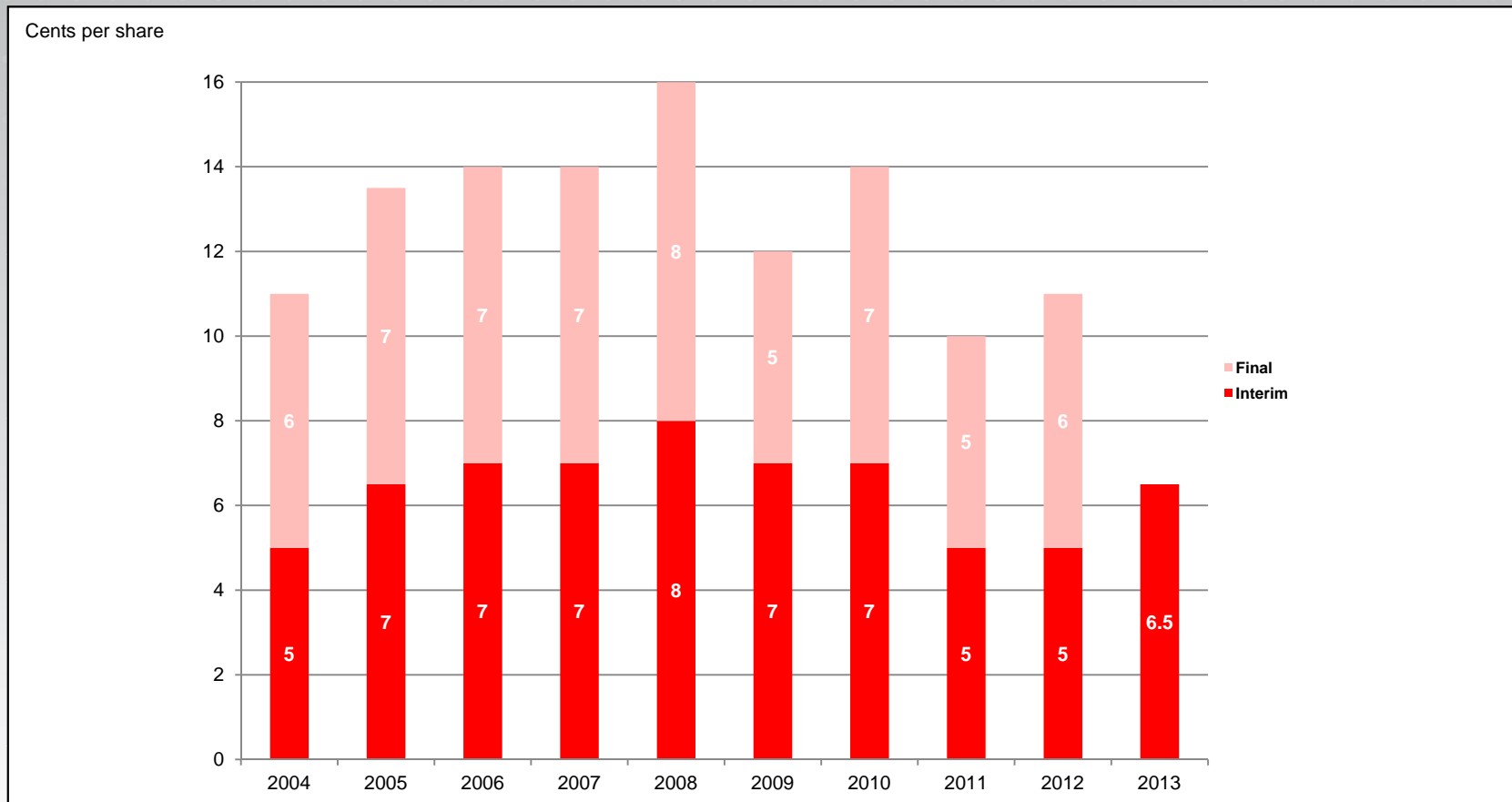
As at (\$m)	31 December 2012	30 June 2012
Cash and equivalents	14.6	21.0
Receivables	72.1	73.2
Inventories	3.1	2.9
Other	6.7	5.2
<i>Total Current Assets</i>	<i>96.5</i>	<i>102.3</i>
Property, Plant & Equipment	229.7	219.4
Intangibles	71.0	71.1
Other	9.5	8.5
<i>Total Non-Current Assets</i>	<i>310.2</i>	<i>299.0</i>
Total Assets	406.7	401.3
Accounts Payable	49.5	49.2
Borrowings	17.1	16.7
Provisions	15.4	14.5
Other	1.6	1.7
<i>Total Current Liabilities</i>	<i>83.6</i>	<i>82.1</i>
Borrowings	61.9	66.3
Provisions	3.5	3.1
Other	26.0	24.9
<i>Total Non-Current Liabilities</i>	<i>91.4</i>	<i>94.3</i>
Total Liabilities	175.0	176.4
Net Assets	231.7	224.9

- Gearing within target range at 21.8%.
- Significant capacity to fund growth.

Dividend Summary

- Final dividend of 6.5 cents per share:
 - Record date for interim dividend is 20 March 2013.
 - Final dividend payable on 3 April 2013.
- DRP remains active with a 2.5% price discount.

10-Year Dividend Payment History



Key Customers

- K&S has a large and diversified customer base.

The logo for onesteel, featuring the word "onesteel" in a bold, sans-serif font. "one" is in red and "steel" is in grey.The logo for ALCOA, featuring a blue square with a white geometric design inside, and the word "ALCOA" in blue capital letters below it.The logo for CHEP, featuring a blue circular arrow icon and the word "CHEP" in blue capital letters.The logo for BLUESCOPE STEEL, featuring a blue wave icon and the words "BLUESCOPE STEEL" in blue capital letters.The logo for Orrcon, featuring a blue oval with a white circle inside and the word "Orrcon" in yellow, with the tagline "Giving Steel A Real Edge." below it.The logo for Norske Skog Boyer, featuring a green tree icon and the words "Norske Skog Boyer" in blue.The logo for CALTEX Caltex Australia, featuring a red star icon and the words "CALTEX Caltex Australia" in blue.The logo for AIR LIQUIDE, featuring a blue square icon and the words "AIR LIQUIDE" in red.The logo for Westrac CAT, featuring the word "Westrac" in black on a yellow background and the word "CAT" in white on a black background.The logo for Laminex, featuring a red square icon and the words "Laminex Inspire your space™" in black.The logo for Coca-Cola, featuring the words "Enjoy Coca-Cola" in white on a red background, with "Trade-mark ®" below it.The logo for Australian Paper, featuring a green and white paper roll icon and the words "Australian Paper" in white, with "a member of the Nippon Paper Group" below it.The logo for Mount Gibson Iron, featuring a black mountain range icon with yellow diamonds and the words "Mount Gibson Iron" in black.The logo for bp, featuring a green sunburst icon and the letters "bp" in green.

K&S Nationwide

- K&S operates extensively throughout Australia and New Zealand.

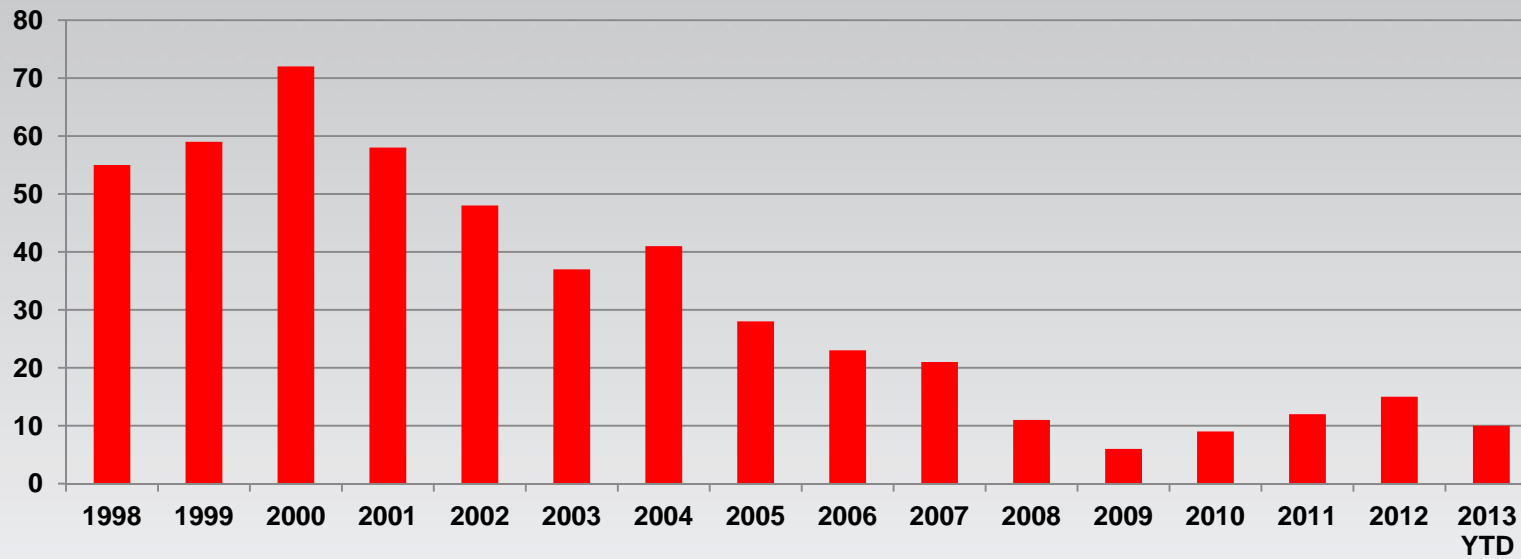


Safety

- Safety remains a key part of everything we do at K&S and will be achieved by continuously improving compliance levels by updating, enhancing, refreshing the current safety cultural behaviour programme.
- On the 4 July 2012 Comcare extended our self insurance licence until 30 June 2016.

Our Safety Target Remains Zero Harm

Lost Time Injury Frequency Rate



Looking Forward

- We are currently completing a new 5 year strategy plan.
- We will continue to grow the business through:
 - Organic growth
 - Tenders
 - Acquisitions
- The outlook for the domestic economy continues to look challenging.
- Providing earnings guidance at this time is difficult.

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