



Coote Industrial Ltd
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Coote Industrial Ltd (CXG) Announcement

Interim Earnings

In accordance with the requirements of ASX Listing Rule 3.1 and Guidance Note 8, Coote Industrial Limited expects to release its half year results on 27 February 2009. The results will provide a detailed overview of half year performance, together with an update on the Greentrains transaction referred to in an earlier ASX announcement dated 30 January 2009.

Based on management accounts, profit after tax for the six months ended 31 December 2008 is likely to be between \$4m to 4.5m excluding any impairment charges and subject to audit review and final Board consideration.

Profit after tax for the corresponding six month period to 31 December 2007 was \$7.3m.

While first half revenues this half exceed those in the same period last year by almost 20%, profit has been influenced by foreign exchange losses on imported goods in both Drivetrain and Gemco Rail, reduced margins in FY09Q2 and higher financing costs.

Despite operating in deteriorating economic and market conditions, second half profit performance is expected to be considerably stronger than the first half. The second half of this financial year includes an increased volume of contracted work and a large component of project works with orders due for delivery.

Improvement in the second half will also be assisted by an expected material reduction in interest expense and labour costs after making adjustments to staff levels during the first half.

About Coote Industrial

Coote Industrial operates seven key businesses delivering technical based sales and services to an array of industries including defence, rail, maritime, construction, agriculture, resources and power generation.

- **Convair** is a niche manufacturer of dry bulk pneumatic tankers for road transportation of construction materials, stockfeed and mineral sands, and is the exclusive Australian agent for Feldbinder GmbH.
- **Coote Logistics** is a provider of specialised road transportation and port logistics for mine-site inputs and outputs, agricultural and industrial equipment. The company also provides Australian Customs accredited inspection and quarantine facilities as well as storage and redistribution of both containerised and bulk freight
- **Drivetrain** specialises in the sale, remanufacture and repair of powertrain, large diesel engine and fluid power components and fittings for the off-highway, automotive and marine industries.
- **Gemco Rail** specialises in the remanufacture and repair of locomotives, rollingstock and other rail products for rail operators and maintainers. Gemco provides wheel-set, bogie and in-field wagon maintenance and manufactures new and refurbished wagons, bogie component parts and customised remote controlled ballast car discharge gates.



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- **Industrial Powertrain** specialises in the repair and overhaul of drivetrain equipment for heavy industrial vehicles used in the resources, construction and agriculture industries while subsidiary PC Diesel is the approved sales and service centre for EMD marine and stationary power generation in Australia, South East Asia and Pacific Island territories.
- **Momentum** provides infrastructure services, specialised supplementary labour, recruitment and training, primarily to the rail industry.
- **South Spur Rail** is a niche rail operator engaged in short-haul rail freight, port shuttles, hook & pull and shunting services, as well as providing project / work trains and crews for track laying and maintenance activities.

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