

Appendix 4E

Preliminary Final Report to the Australian Stock Exchange

| | |
|--|---------------------------------|
| Name of Entity | JOHN SHEARER (HOLDINGS) LIMITED |
| ABN | 38 007 643 085 |
| Financial Year Ended | 30 JUNE 2010 |
| Previous Corresponding Reporting Period | 30 JUNE 2009 |

Results for Announcement to the Market

| | \$'000 | Percentage increase / (decrease) over previous corresponding period |
|---|----------------------------|---|
| Revenue | 29,958 | (21.1%) |
| Profit / (loss) after tax attributable to members | 655 | (78.4%) |
| Net profit / (loss) for the period attributable to members | 655 | (78.4%) |
| Dividends (distributions) | Amount per security | Franked amount per security |
| Final Dividend | 6.0 cents | 6.0 cents |
| Interim Dividend | 6.0 cents | 6.0 cents |
| Record date for determining entitlements to the dividends (if any) | 13 September 2010 | |

Report of directors on Financial Results

The Directors of JSHL have declared a fully franked final dividend of 6 cents per share payable on 13 October 2010, taking the total to 12 cents for the year. This is down a little on the prior year's dividend of 15 cents per share.

The Operating Profit for the year ended 30 June 2010 was \$655,000 after income tax, compared with \$3.024m for the full year in 2009. This was achieved on a turnover of \$29.958m compared with \$37.957m in the 2009 financial year. The second half was much improved on our first half with better margins and cost control. Revenue in the second half was \$15.54m with a net after-tax profit of \$536,000.

This year's result was affected by the general difficulties in the commercial markets arising from the global financial crisis and the impact of the strong Australian dollar.

Despite the drought in Australia receding for the time being, this has not translated into greater sales of farm equipment. This too has been impacted by the strong Australian currency.

Directors are hopeful that the outlook for 2011 will be better than the achievements for the 2010 year.

The Company remains in a strong cash position and continues to search for opportunities to grow the business.



Allen E. Bolaffi
Director

Dividends

| | |
|---|-------------------|
| Date the dividend is payable | 13 October 2010 |
| Record date to determine entitlement to the dividend | 13 September 2010 |
| Amount per security | 6 cents |
| Total dividend | \$ 740,374 |
| Amount per security of foreign sourced dividend or distribution | — |
| Details of any dividend reinvestment plans in operation | — |
| The last date for receipt of an election notice for participation in any dividend reinvestment plans | — |

NTA Backing

| | Current Period | Previous corresponding period |
|---|----------------|-------------------------------|
| Net tangible asset backing per ordinary security | \$3.39 | \$3.46 |

Other Significant Information Needed by an Investor to Make an Informed Assessment of the Entity's Financial Performance and Financial Position

| |
|-----|
| Nil |
|-----|

Commentary on the Results for the Period

| |
|---|
| The earnings per security and the nature of any dilution aspects : |
|---|

The current periods earnings' per security was down by 78.4% on the previous corresponding period.

There were no potentially dilutive items relevant.

| |
|--|
| Returns to shareholders including distributions and buy backs : |
|--|

We are pleased to announce that a fully franked dividend of 6 cents per share will be paid on 13 October 2010.

| |
|--|
| Significant features of operating performance : |
|--|

Refer page 2

| |
|---|
| The results of segments that are significant to an understanding of the business as a whole: |
|---|

Refer page 2

| |
|--|
| Discussion of trends in performance : |
|--|

Nil

| |
|---|
| Any other factor which has affected the results in the period or which are likely to affect results in the future, including those where the effect could not be quantified: |
|---|


Nil

Audit/Review Status

| | | | |
|--|-------------------------------------|--|--------------------------|
| This report is based on accounts to which one of the following applies: (Tick one) | | | |
| The accounts have been audited | <input type="checkbox"/> | The accounts have been subject to review | <input type="checkbox"/> |
| The accounts are in the process of being audited or subject to review | <input checked="" type="checkbox"/> | The accounts have not yet been audited or reviewed | <input type="checkbox"/> |
| If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, a description of the likely dispute or qualification: <p style="text-align: center;">Not Applicable</p> | | | |
| If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification: <p style="text-align: center;">Not Applicable</p> | | | |

Attachments Forming Part of Appendix 4E

| Attachment # | Details |
|--------------|---------------|
| 1 | Press Release |
| | |
| | |

| | |
|---|---|
| Signed By (Director/Company Secretary) |  |
| Print Name | Allen Elliot BOLAFFI |
| Date | 30 August 2010 |

Your directors submit the Appendix 4E of the consolidated entity for the financial year ended 30 June 2010.

Directors

The names of directors who held office during or since the end of the financial year ended 30 June 2010:

Andrew W Gwinnett
Cheng H Hong
Gary D Reuter
Allen E Bolaffi
Chester M Hobby

Review of Operations

A summary of consolidated revenues and results by significant industry segments is set out below:

| | Segment Revenues | | Segment Results | |
|---|---------------------|---------------|--------------------|--------------|
| | 2010 | 2009 | 2010 | 2009 |
| | \$'000 | \$'000 | \$'000 | \$'000 |
| Agricultural Machinery and Transport Equipment | 5,386 | 6,482 | 44 | 338 |
| Steel Shelving and Storage Systems | 25,194 | 31,655 | 1,099 | 3,982 |
| Inter-segment Eliminations | (622) | (180) | (69) | — |
| | <u>29,958</u> | <u>37,957</u> | <u>1,074</u> | <u>4,320</u> |
| Profit Before Income Tax Expense | | | 1,074 | 4,320 |
| Income Tax Expense | | | (426) | (1,296) |
| Profit After Income Tax Expense | | | <u>648</u> | <u>3,024</u> |
| Net (profit)Loss attributable to outside equity interest | | | <u>7</u> | <u>—</u> |
| Net profit attributable to members of John Shearer (Holding) Ltd | | | <u>655</u> | <u>3,024</u> |

Rounding of Amounts

The consolidated entity has applied the relief available to it in ASIC Class Order 98/100 and accordingly certain amounts in the financial report and the directors' report have been rounded to the nearest thousand dollars.

The report is signed in accordance with a resolution of the Board of Directors.



Allen Elliot Bolaffi
Director and Company Secretary

Dated: 30 August 2010

John Shearer (Holdings) Limited and Controlled Entities
Statement of Comprehensive Income
for the financial year ended 30 June 2010

| | Current Year | Previous Corresponding Year |
|--|---------------|-----------------------------------|
| Revenue | \$'000 | \$'000 |
| Revenue and Other Income | 29,958 | 37,957 |
| Changes in inventories of finished goods and work in progress | (496) | (463) |
| Raw materials and consumables used | (11,754) | (15,241) |
| Employee benefits expense | (9,862) | (11,105) |
| Depreciation expense | (950) | (843) |
| Borrowing costs expense | (24) | (26) |
| Contractor, subcontractor & commission expenses | (286) | (184) |
| Repairs and maintenance expense | (321) | (595) |
| Energy costs | (626) | (606) |
| Freight costs | (1,440) | (1,597) |
| Other expenses | (3,125) | (2,903) |
| Share of profit/(loss) of an associate | — | (74) |
| Profit from continuing operations before income tax expense | 1,074 | 4,320 |
| Income tax expense | (426) | (1,296) |
| Profit from continuing operations after income tax expense | 648 | 3,024 |
| Other comprehensive Income | | |
| Foreign currency translation | (67) | — |
| Revaluation of land and buildings | — | — |
| Income Tax on revaluation of land and buildings | — | — |
| Other comprehensive income for the period, net of tax | (67) | — |
| Total comprehensive income | 581 | 3,024 |

John Shearer (Holdings) Limited and Controlled Entities
Statement of Comprehensive Income (continued)
for the financial year ended 30 June 2010

| | Current Year | Previous Corresponding Year |
|--|-------------------|-----------------------------------|
| | \$'000 | \$'000 |
| Profit for the period is attributable to: | | |
| Non-controlling interest | (7) | — |
| owners of the parent | <u>655</u> | <u>3,024</u> |
| | <u><u>648</u></u> | <u><u>3,024</u></u> |
| Total comprehensive Income for the period is attributable to: | | |
| Non-controlling interest | (7) | — |
| Owners of the parent | <u>588</u> | <u>3,024</u> |
| | <u><u>581</u></u> | <u><u>3,024</u></u> |
| Basic Earnings per share | 5.3 | 24.5 |
| Diluted Earnings per share | 5.3 | 24.5 |

John Shearer (Holdings) Limited and Controlled Entities
Balance Sheet
as at 30 June 2010

| | Current Year | Previous Corresponding Year |
|--------------------------------------|-----------------|--------------------------------|
| | \$'000 | \$'000 |
| Current Assets | | |
| Cash and cash equivalents | 13,957 | 17,811 |
| Trade and other receivables | 5,126 | 4,039 |
| Inventories | 5,306 | 5,577 |
| Current tax assets | 478 | — |
| Other current assets | 419 | 325 |
| Total Current Assets | 25,286 | 27,752 |
| Non-Current Assets | | |
| Investment in associate | — | 1,169 |
| Property, plant and equipment | 26,232 | 23,034 |
| Deferred tax assets | 1,206 | 1,403 |
| Total Non-Current Assets | 27,438 | 25,606 |
| Total Assets | 52,724 | 53,358 |
| Current Liabilities | | |
| Trade and other payables | 5,783 | 4,474 |
| Current tax liabilities | — | 438 |
| Provisions | 1,095 | 1,067 |
| Total Current Liabilities | 6,878 | 5,979 |
| Non-Current Liabilities | | |
| Interest bearing liabilities | 246 | — |
| Deferred tax liabilities | 699 | 815 |
| Provisions | 1,903 | 2,415 |
| Total Non-Current Liabilities | 2,848 | 3,230 |
| Total Liabilities | 9,726 | 9,209 |
| Net Assets | 42,998 | 44,149 |
| Equity | | |
| Contributed equity | 8,633 | 8,633 |
| Reserves | 1,306 | 1,373 |
| Retained earnings | 32,862 | 34,143 |
| Total parent equity interest | 42,801 | 44,149 |
| Non-controlling interest | 197 | — |
| Total Equity | 42,998 | 44,149 |

John Shearer (Holdings) Limited and Controlled Entities
Statement of Changes in Equity
for the financial year ended 30 June 2010

| Consolidated Entity | Asset Revaluation Reserve \$'000 | Foreign Currency Translation \$'000 | Contributed Equity \$'000 | Retained Earnings \$'000 | Owners of the parent \$'000 | Non- controlling Interest \$'000 | TOTAL \$'000 |
|--|---|--|---------------------------------|--------------------------------|-----------------------------------|---|-----------------|
| Balance at 1 July 2009 | 1,373 | — | 8,633 | 34,143 | 44,149 | — | 44,149 |
| Profit for the year | — | — | — | 655 | 655 | (7) | 648 |
| Other comprehensive income: | — | (67) | — | — | (67) | — | (67) |
| Total comprehensive income for the period | — | (67) | — | 655 | 588 | (7) | 581 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Acquisition of subsidiary | — | — | — | (85) | (85) | 204 | 119 |
| Dividends provided for or paid | — | — | — | (1,851) | (1,851) | — | (1,851) |
| Balance at 30 June 2010 | 1,373 | (67) | 8,633 | 32,862 | 42,801 | 197 | 42,998 |
| Balance at 1 July 2008 | 1,373 | — | 8,633 | 32,970 | 42,976 | — | 42,976 |
| Profit for the year | — | — | — | 3,024 | 3,024 | — | 3,024 |
| Other comprehensive income: | — | — | — | — | — | — | — |
| Total comprehensive income for the period | — | — | — | 3,024 | 3,024 | — | 3,024 |
| Transactions with owners in their capacity as owners: | | | | | | | |
| Dividends provided for or paid | — | — | — | (1,851) | (1,851) | — | (1,851) |
| Balance at 30 June 2009 | 1,373 | — | 8,633 | 34,143 | 44,149 | — | 44,149 |

John Shearer (Holdings) Limited and Controlled Entities
Cash Flow Statement
for the financial year ended 30 June 2010

| | Current Year | Previous Corresponding Year |
|--|----------------------|--------------------------------|
| | \$'000 | \$'000 |
| Cash flows from operating activities | | |
| Receipts from customers (inclusive of goods and services tax) | 31,347 | 43,331 |
| Payments to suppliers and employees (inclusive of goods and services tax) | (31,603) | (38,151) |
| Payments of income tax | <u>(1,259)</u> | <u>(1,198)</u> |
| | <u>(1,515)</u> | <u>3,982</u> |
| Interest received | 715 | 981 |
| Borrowing costs | <u>(24)</u> | <u>(26)</u> |
| Net cash inflow/(outflow) from operating activities | <u>(824)</u> | <u>4,937</u> |
| Cash flows from investing activities | | |
| Purchase for property, plant and equipment | (144) | (366) |
| Payments for investments** | (1,417) | — |
| Loans from related parties | 245 | — |
| Proceeds from sale of other assets, property, plant and equipment | <u>60</u> | <u>100</u> |
| Net cash inflow/(outflow) from investing activities | <u>(1,256)</u> | <u>(266)</u> |
| Cash flows from financing activities | | |
| Dividends paid | <u>(1,851)</u> | <u>(1,851)</u> |
| Net cash (outflow) from financing activities | <u>(1,851)</u> | <u>(1,851)</u> |
| Net increase/(decrease) in cash and cash equivalents | (3,931) | 2,820 |
| Cash and cash equivalents at beginning of period | 17,811 | 14,991 |
| Cash in controlled entities acquired | 80 | — |
| Effects of exchange rate changes on cash | <u>(3)</u> | <u>—</u> |
| Cash and cash equivalents at the end of the financial year | <u>13,957</u> | <u>17,811</u> |

**During the period \$1.417m was paid in an arm's length transaction with a related party in exchange for its shareholding in NINGBO Tristar Forging Co. Ltd; which is now a controlled entity.

Note 1. Basis of Preparation

This preliminary final report has been prepared in accordance with ASX Listing Rule 4.3A and the disclosure requirements of the ASX Appendix 4E.

The accounting policies adopted in the preparation of the preliminary final report are consistent with those adopted and disclosed in the 2009 annual report.

Note 2. Statement of Comprehensive Income

| | Current Year \$'000 | Previous Corresponding Year \$'000 |
|---------------------------------------|------------------------|---|
| Continuing operations | | |
| Sale of goods | <u>28,599</u> | <u>36,267</u> |
| Interest – Other corporations | 715 | 981 |
| Foreign exchange gains | 9 | — |
| Rent received | 462 | 460 |
| Discount Received | 9 | 53 |
| Royalty | 9 | 18 |
| Sale of Scrap | 91 | 97 |
| Sundries | <u>29</u> | <u>1</u> |
| | <u>1,324</u> | <u>1,610</u> |
| Other Income | | |
| Government Grants | 5 | 7 |
| Profit on sale of non-current assets | <u>30</u> | <u>73</u> |
| | <u>35</u> | <u>80</u> |
| Total revenue and other income | <u><u>29,958</u></u> | <u><u>37,957</u></u> |

Note 3. Income tax

| | Current Year \$'000 | Previous Corresponding Year \$'000 |
|--|---------------------------|---|
| Income Tax Expense | | |
| Current income tax expense | 273 | 1,485 |
| Deferred tax | 81 | (164) |
| Under (over) provided in prior years | 72 | (25) |
| Income tax expense | <u>426</u> | <u>1,296</u> |
| Reconciliation between income tax expenses and prima facie tax payable | | |
| Profit from continuing operations before income tax expense | <u>1,074</u> | <u>4,320</u> |
| Tax at 30% (2009: 30%) | 322 | 1,296 |
| Tax effect of amounts which are not deductible (taxable) in calculating taxable income: | | |
| Loss from overseas operations | 53 | — |
| Share of profit/(loss) of an associate | — | 22 |
| Other | (21) | 3 |
| Under (over) provided in prior years | 72 | (25) |
| Income tax expense | <u>426</u> | <u>1,296</u> |
| Analysis of deferred tax assets | | |
| Provision for inventory losses | 140 | 219 |
| Prepayments | 35 | 48 |
| Employee entitlements | 841 | 963 |
| Plant and Equipment | 5 | — |
| Other | 185 | 173 |
| Deferred tax assets | <u>1,206</u> | <u>1,403</u> |
| Analysis of deferred tax liabilities | | |
| Land and Buildings | 699 | 732 |
| Plant and Equipment | — | 83 |
| Deferred tax liabilities | <u>699</u> | <u>815</u> |

Footnote to note 3:

Loss from overseas operations of \$176,480 is not recognised as a deferred tax asset.

Note 4. Retained earnings

| | Current Year \$'000 | Previous Corresponding Year \$'000 |
|---|------------------------|---|
| Retained earnings at the beginning of the financial year | 34,143 | 32,970 |
| Acquisition of subsidiary | (85) | — |
| Net profit attributable to members of John Shearer (Holdings) Limited | 655 | 3,024 |
| Dividends provided for or paid | <u>(1,851)</u> | <u>(1,851)</u> |
| Retained earnings at the end of the financial year | <u>32,862</u> | <u>34,143</u> |

Note 5. Earnings per share

| | Current Year | Previous Corresponding Year |
|--|------------------------|--|
| Basic earnings per share (cents) | 5.3 | 24.5 |
| Diluted earnings per share (cents) | 5.3 | 24.5 |
| Reconciliations of earnings used in calculating earnings per share | 2010 \$'000 | 2009 \$'000 |
| Basic earnings per share | | |
| Net profit | <u>655</u> | <u>3,024</u> |
| Earnings used in calculating basic earnings per share | <u>655</u> | <u>3,024</u> |
| Diluted earnings per share | | |
| Net profit | <u>655</u> | <u>3,024</u> |
| Earnings used in calculating diluted earnings per share | <u>655</u> | <u>3,024</u> |
| Weighted average number of shares used as the denominator | Current Year | Previous Corresponding Year |
| Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share | <u>12,339,571</u> | <u>12,339,571</u> |

Note 6. Reconciliation of profit after income tax to net cash inflow from operating activities

| | Current Year \$'000 | Previous Corresponding Year \$'000 |
|--|---------------------------|---|
| Profit after income tax | 648 | 3,024 |
| Depreciation and amortisation | 947 | 843 |
| Foreign exchange gain/(loss) | 2 | — |
| Provision for doubtful debts | — | 2 |
| (Profit) on sale of non-current assets | (30) | (73) |
| Loss on sale of non-current assets | — | 6 |
| Non-current assets written-off | 12 | 55 |
| Share in joint ventures' net (profits)/losses | — | 74 |
| Decrease (increase) in trade debtors | (789) | 1,261 |
| Decrease (increase) in inventories | 330 | 529 |
| Decrease (increase) in other operating assets | 293 | 19 |
| Increase (decrease) in trade creditors | 236 | (1,185) |
| Increase (decrease) in other operating liabilities | (1,982) | 317 |
| Increase (decrease) in other provisions | (491) | 65 |
| Net cash inflow (outflow) from operations | <u>(824)</u> | <u>4,937</u> |

Note 7. Segment information

Segment revenues, expenses, assets and liabilities are those that are directly attributable to a segment and the relevant portion that can be allocated to the segment on a reasonable basis. Segment assets include all assets used by a segment and consist primarily of operating cash, receivables, inventories, property, plant and equipment and other intangible assets, net of related provisions. Segment liabilities consist primarily of trade and other creditors, employee entitlements and provision for service warranties. Segment assets and liabilities do not include income taxes.

Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an “arm’s – length” basis and are eliminated on consolidation.

Operating Segments

The consolidated entity is involved in the same principal activities and is organised on a national basis into the following divisions by product and service type.

Agricultural Machinery and Transport Equipment

Manufacture and distribution of high quality agricultural machinery including cultivation and seeding equipment, ground engaging tools, and transport equipment (including bulk tankers).

Steel Shelving and Storage Systems

Manufacture and distribution of industrial and office steel shelving and storage systems.

Segment information (continued)

The following tables present revenue, profit and balance sheet information regarding business segments for the year ended 30 June 2010.

| 2010 | Operating segments | | | Consolidated |
|--|--|---|---|--------------|
| | Agricultural Machinery and Transport Equipment \$'000 | Steel Shelving and Storage Systems \$'000 | Inter- segment eliminations/ unallocated \$'000 | |
| Sales to external customers | 4,722 | 24,243 | (366) | 28,599 |
| Total sales revenue | 4,722 | 24,243 | (366) | 28,599 |
| Other revenue and other income | 664 | 951 | (256) | 1,359 |
| Total segment revenue | 5,386 | 25,194 | (622) | 29,958 |
| Share of profit/(loss) of associate | — | — | — | — |
| Segment result | 44 | 1,099 | (69) | 1,074 |
| Profit before income tax expense | | | | 1,074 |
| Income tax expense | | | | (426) |
| Net Profit | | | | 648 |
| Total segment assets | 28,063 | 39,216 | (15,032) | 52,247 |
| Total segment liabilities | 3,632 | 8,712 | (3,096) | 9,248 |

Segment information (continued)

| 2009 | Operating segments | | | Consolidated \$'000 |
|--|--|---|---|------------------------|
| | Agricultural Machinery and Transport Equipment \$'000 | Steel Shelving and Storage Systems \$'000 | Inter- segment eliminations/ unallocated \$'000 | |
| Sales to external customers | 5,748 | 30,519 | — | 36,267 |
| Total sales revenue | 5,748 | 30,519 | — | 36,267 |
| Other revenue and other income | 734 | 1,136 | (180) | 1,690 |
| Total segment revenue | 6,482 | 31,655 | (180) | 37,957 |
| Share of profit/(loss) of associate | — | (74) | — | (74) |
| Segment result | 336 | 3,982 | (2) | 4,316 |
| Profit before income tax expense | | | | 4,316 |
| Income tax expense | | | | (1,296) |
| Net Profit | | | | 3,020 |
| Total segment assets | 30,156 | 35,215 | (12,013) | 53,358 |
| Total segment liabilities | 5,520 | 6,936 | (3,247) | 9,209 |

Segment information (continued)

Notes to and forming part of the segment information

(a) Accounting policies

Segment information is prepared in conformity with the accounting policies of the entity and AASB 8 *Operating Segments*.

The group has identified its operating segments to be the two segments of Agricultural Machinery and Transport Equipment and Steel Shelving and Storage Systems. This is the basis by which internal reports are reviewed and used by the chairman and the board of directors in assessing performance and determining allocation of resources.

The group operates predominantly within Australia. Other geographical operations are not material to the financial statements.

(b) Inter-segment transfers

Segment revenues, expenses and results include transfers between segments. Such transfers are priced on an “arm’s – length” basis and are eliminated on consolidation

Note 8. Business combination

Acquisition of Ningbo Tristar Forging Co. Ltd

On 24 September 2009 Brownbuilt Pty Ltd, a John Shearer Group Company, acquired 53.33% of the voting shares of Ningbo Tristar Forging Company Limited taking its total holdings to 93.33%.

Ningbo Tristar Forging Company Limited is an unlisted private company incorporated in China specialising in the manufacture of steel shelving and storage systems. The remaining 6.67% of its voting shares are held by a Chinese corporation known as Ningbo Yongxin Auto components Manufacturing Company Limited.

The consideration transferred was \$1.417m in cash. At the date of acquisition, Brownbuilt Pty Ltd was involved in the manufacture of steel shelving and storage systems. The directors envisage that Brownbuilt will provide the management and funding for the venture.

The group has provisionally recognised the fair values of the identifiable assets and liabilities of Ningbo Tristar Forging Company Limited based upon the best information available at the reporting date. Provisional business combination accounting is as follows:

| | Fair value at acquisition date \$'000 | Carrying Value \$'000 |
|---|---|-----------------------------|
| Plant and equipment | 4,127 | 4,765 |
| Cash and cash equivalents | 80 | 80 |
| Trade receivables | 79 | 79 |
| Inventories | 58 | 58 |
| Other receivables | 433 | 433 |
| | <u>4,777</u> | <u>5,415</u> |
| Trade payables | 1 | 1 |
| Other payables | 343 | 343 |
| Owing to related companies | 1,777 | 1,777 |
| | <u>2,121</u> | <u>2,121</u> |
| Provisional fair value of identifiable net assets | 2,656 | |
| Non-controlling interest in identifiable acquired net assets | (177) | |
| Fair value of existing share of investment | (1,062) | |
| Fair value of net assets acquired | <u>1,417</u> | |

There was neither goodwill nor discount on acquisition and the interest has been acquired at fair value as at 24 September 2009.

There were no contingent assets or liabilities taken into account, and no contingent consideration. No transactions are required to be recognised separately from the assumption of assets and liabilities and there were no acquisition costs.

Business combination (continued)

Direct costs relating to the acquisition

| | |
|---|----------------|
| The cash outflow on acquisition is as follows: | \$'000 |
| Net cash acquired with the subsidiary | 80 |
| Cash paid | (1,417) |
| Net consolidated cash outflow | (1,337) |

The consolidated statement of comprehensive income includes sales revenue and net loss for the financial year ended 30 June 2010 of \$390,027 and \$106,479 respectively, as a result of the acquisition of Ningbo Tristar Forging Company Limited.

The value of the non-controlling interest was determined based on its 6.67% interest in the identifiable net assets as at the acquisition date.

SHEARER PAYS DIVIDEND IN DIFFICULT YEAR

The Directors of JSHL have declared a fully franked final dividend of 6 cents per share payable on 13 October 2010, taking the total to 12 cents for the year. This is down a little on the prior year's dividend of 15 cents per share.

The Operating Profit for the year ended 30 June 2010 was \$655,000 after income tax, compared with \$3.024m for the full year in 2009. This was achieved on a turnover of \$29.958m compared with \$37.957m in the 2009 financial year. The second half was much improved on our first half with better margins and cost control. Revenue in the second half was \$15.54m with a net after-tax profit of \$536,000.

This year's result was affected by the general difficulties in the commercial markets arising from the global financial crisis and the impact of the strong Australian dollar.

Despite the drought in Australia receding for the time being, this has not translated into greater sales of farm equipment. This too has been impacted by the strong Australian currency.

Directors are hopeful that the outlook for 2011 will be better than the achievements for the 2010 year.

The Company remains in a strong cash position and continues to search for opportunities to grow the business.

For further information contact:

Allen Bolaffi
Director and Company Secretary

Mobile: 0419 998 866