

# Appendix 4D

## Half Year Report to the Australian Stock Exchange

<b>Name of Entity</b>	JOHN SHEARER (HOLDINGS) LIMITED
<b>ABN</b>	38 007 643 085
<b>Current Reporting Period</b>	31 DECEMBER 2007
<b>Previous Corresponding Reporting Period</b>	31 DECEMBER 2006

### Results for Announcement to the Market

	\$'000	Percentage increase / (decrease) over previous corresponding period
<b>Revenue from continuing operations</b>	20,552	(7.4%)
<b>Profit / (loss) from continuing operations after tax attributable to members</b>	1,082	(48.8%)
<b>Net profit / (loss) for the period attributable to members</b>	1,082	(48.8%)
<b>Dividends (distributions)</b>	<b>Amount per security</b>	<b>Franked amount per security</b>
<b>Final Dividend</b>	-	-
<b>Interim Dividend</b>	6.0 cents	6.0 cents
<b>Previous corresponding period *</b>	6.0 cents	6.0 cents
<b>Record date for determining entitlements to the dividends (if any)</b>	11 March 2008	

**Brief explanation of any of the figures reported above necessary to enable the figures to be understood:**

John Shearer Holdings Limited reported a half year profit of \$1,082,000 after income tax compared with \$2,114,000 for the corresponding period in 2006. The 2006 results included a profit of \$1M on the sale of real estate. Accordingly, at an operational level, the results for the six months to 31 December 2007 are comparable with those of the six months ended 31 December 2006.

Gross Revenue for the current period was \$20.552M compared with \$22.194M in the corresponding period last year.

The storage sector continues to provide the Group with the bulk of its revenue and earnings. However in this period there was some slippage in margins due to product mix and the timing of some project installations. It is expected that sales and margins will be stronger in the second half.

It is pleasing to report that recent rain across Australia has led to an increased order book for farm machinery.

The Group remains in a strong cash position with no external debt and continues to be interested in suitable investment opportunities.

Directors are pleased to announce that they will maintain an interim dividend of 6 cents per share fully franked payable on 28 March 2008.



Allen E. Bolaffi  
Director

The half-yearly report is to be read in conjunction with the most recent annual financial report

### Dividends

<b>Date the dividend is payable</b>	28 March 2008
<b>Record date to determine entitlement to the dividend</b>	11 March 2008
<b>Amount per security</b>	6.0 cents
<b>Total dividend</b>	\$740,374
<b>Amount per security of foreign sourced dividend or distribution</b>	-
<b>Details of any dividend reinvestment plans in operation</b>	-
<b>The last date for receipt of an election notice for participation in any dividend reinvestment plans</b>	-

### NTA Backing

	<b>Current Period</b>	<b>Previous corresponding period</b>
<b>Net tangible asset backing per ordinary security</b>	<b>\$3.39</b>	<b>\$3.33</b>

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

NIL

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**Commentary on the Results for the Period****The earnings per security and the nature of any dilution aspects :**

The current period's earnings' per security is down by 48.5% on the previous corresponding period (from 17.1 cents per share to 8.8 cents per share).

**Returns to shareholders including distributions and buy backs :**

We are pleased to announce that a fully franked interim dividend of 6 cents per share will be paid on 28 March 2008.

**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

**Control Gained Over Entities Having Material Effect**

Name of entity (or group of entities)	Not Applicable
Date control gained	
Consolidated profit / (loss) from ordinary activities since the date in the current period on which control was acquired	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) for the whole of the previous corresponding period	

**Loss of Control Gained Over Entities Having Material Effect**

Name of entity (or group of entities)	Not Applicable
Date control lost	
Consolidated profit / (loss) from ordinary activities for the current period to the date of loss of control	
Profit / (loss) from ordinary activities of the controlled entity (or group of entities) while controlled for the whole of the previous corresponding period	

**Details of Associates and Joint Venture Entities**


Name of Entity	Percentage Held		Share of Net Profit	
	Current Period	Previous Period	Current Period	Previous Period
NINGBO Tristar Forging Co. Ltd.	40%	40%	—	—
<b>Aggregate Share of Net Profits</b>	<b>40%</b>	<b>40%</b>	<b>—</b>	<b>—</b>

**Audit/Review Status**

<b>This report is based on accounts to which one of the following applies:</b> (Tick one)			
The accounts have been audited		The accounts have been subject to review	✓
The accounts are in the process of being audited or subject to review		The accounts have not yet been audited or reviewed	
<b>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:</b>			
Not Applicable			
<b>If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:</b>			
Not Applicable			

**Attachments Forming Part of Appendix 4D**

Attachment #	Details
1	Independent Review Report
2	Auditor's Independence Declaration
3	Press Release

<b>Signed By (Director/Company Secretary)</b>	
<b>Print Name</b>	Allen Elliot Bolaffi
<b>Date</b>	28 February 2008

## DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the half-year ended 31 December 2007.

### Directors

The names of directors who held office during the half-year and until the date of this report are as below. Directors were in office for this entire period.

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

### Review of Operations

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

	Segment Revenues		Segment Results	
	2007	2006	2007	2006
	\$'000	\$'000	\$'000	\$'000
Agricultural Machinery and Transport Equipment	3,276	2,883	(47)	(516)
Steel Shelving and Storage Systems	17,276	19,311	1,652	3,526
	<u>20,552</u>	<u>22,194</u>	<u>1,605</u>	<u>3,010</u>
Unallocated Revenue less Unallocated Expense			—	—
Profit from Continuing Operations Before Income Tax Expense			1,605	3,010
Income Tax Expense			(523)	(896)
Profit from Continuing Operations After Income Tax Expense			<u>1,082</u>	<u>2,114</u>

### Auditor's Independence Declaration

The auditor's independence declaration under section 307C is attached (see attachment 2).

### 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**

Signed in Adelaide this 28<sup>th</sup> day of February 2008

**John Shearer (Holdings) Limited and Controlled Entities**  
**Income Statement**  
**for the half year ended 31 December 2007**

	6 Months to 31 December 2007 \$'000	6 Months to 31 December 2006 \$'000
<b>Continuing Operations</b>		
<b>Revenue and other income</b>	<b>20,552</b>	22,194
Changes in inventories of finished goods and work in progress	44	(612)
Raw materials and consumables	<b>(8,978)</b>	(8,425)
Employee benefits expense	<b>(6,693)</b>	(6,281)
Depreciation and amortisation expense	<b>(477)</b>	(501)
Borrowing costs expense	<b>(45)</b>	(39)
Contractor, subcontractor & commission expenses	<b>(64)</b>	(46)
Repair and maintenance expense	<b>(385)</b>	(233)
Energy costs	<b>(357)</b>	(323)
Freight costs	<b>(692)</b>	(684)
Other expenses	<b>(1,300)</b>	(2,040)
<b>Profit from continuing operations before income tax expense</b>	<b>1,605</b>	3,010
Income tax expense	<b>(523)</b>	(896)
<b>Profit from continuing operations after income tax expense</b>	<b>1,082</b>	2,114
<b>Net profit for the period</b>	<b>1,082</b>	2,114
<b>Net profit attributable to members of John Shearer (Holdings) Limited</b>	<b>1,082</b>	2,114
Basic earnings per share	<b>8.8 cents</b>	17.1 cents
Diluted earnings per share	<b>8.8 cents</b>	17.1 cents

**John Shearer (Holdings) Limited and Controlled Entities**  
**Balance Sheet**  
**as at 31 December 2007**

	31 December 2007	30 June 2007
	\$'000	\$'000
<b>Current Assets</b>		
Cash and cash equivalents	12,276	13,823
Trade and other receivables	6,308	5,385
Inventories	6,284	5,933
Other financial assets	181	257
Total Current Assets	<u>25,049</u>	<u>25,398</u>
<b>Non-Current Assets</b>		
Investment in associate	1,244	626
Property, plant and equipment	24,265	24,615
Deferred tax assets	1,299	1,299
Total Non-Current Assets	<u>26,808</u>	<u>26,540</u>
<b>Total Assets</b>	<u>51,857</u>	<u>51,938</u>
<b>Current Liabilities</b>		
Trade and other payables	5,512	4,781
Current tax liabilities	117	547
Provisions	802	1,223
Total Current Liabilities	<u>6,431</u>	<u>6,551</u>
<b>Non-Current Liabilities</b>		
Provisions	2,296	2,228
Deferred tax liability	1,048	1,048
Total Non-Current Liabilities	<u>3,344</u>	<u>3,276</u>
<b>Total Liabilities</b>	<u>9,775</u>	<u>9,827</u>
<b>Net Assets</b>	<u>42,082</u>	<u>42,111</u>
<b>Equity</b>		
Contributed equity	8,633	8,633
Reserves	1,373	1,373
Retained earnings	32,076	32,105
<b>Total Equity</b>	<u>42,082</u>	<u>42,111</u>

**John Shearer (Holdings) Limited and Controlled Entities**  
**Statement of Changes in Equity**  
**for the half year ended 31 December 2007**

<b>CONSOLIDATED ENTITY</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Contributed Equity \$'000</b>	<b>Retained Earnings \$'000</b>	<b>TOTAL \$'000</b>
<b>BALANCE AT 1 JULY 2007</b>	<u>1,373</u>	<u>8,633</u>	<u>32,105</u>	<u>42,111</u>
Profit for the period	<u>—</u>	<u>—</u>	<u>1,082</u>	<u>1,082</u>
<b>Total income and expense for the period</b>	<u>—</u>	<u>—</u>	<u>1,082</u>	<u>1,082</u>
Dividends provided for or paid	<u>—</u>	<u>—</u>	<u>(1,111)</u>	<u>(1,111)</u>
<b>BALANCE AT 31 DECEMBER 2007</b>	<u>1,373</u>	<u>8,633</u>	<u>32,076</u>	<u>42,082</u>
<b>CONSOLIDATED ENTITY</b>	<b>Asset Revaluation Reserve \$'000</b>	<b>Contributed Equity \$'000</b>	<b>Retained Earnings \$'000</b>	<b>TOTAL \$'000</b>
BALANCE AT 1 JULY 2006	<u>1,893</u>	<u>8,633</u>	<u>29,212</u>	<u>39,738</u>
Profit for the period	<u>—</u>	<u>—</u>	<u>2,114</u>	<u>2,114</u>
Total income and expense for the period	<u>—</u>	<u>—</u>	<u>2,114</u>	<u>2,114</u>
Dividends provided for or paid	<u>—</u>	<u>—</u>	<u>(864)</u>	<u>(864)</u>
BALANCE AT 31 DECEMBER 2006	<u>1,893</u>	<u>8,633</u>	<u>30,462</u>	<u>40,988</u>

**John Shearer (Holdings) Limited and Controlled Entities**  
**Cash Flow Statement**  
**for the half year ended 31 December 2007**

	6 Months to 31 December 2007 \$'000	6 Months to 31 December 2006 \$'000
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	20,827	24,941
Payments to suppliers and employees (inclusive of goods and services tax)	(20,028)	(22,234)
Payments of income tax	(953)	(1,109)
	(154)	1,598
Interest received	485	363
Borrowing costs	(45)	(39)
<b>Net cash inflow from operating activities</b>	<b>286</b>	<b>1,922</b>
<b>Cash flows from investing activities</b>		
Payments for property, plant and equipment	(129)	(49)
Payments for investments	(617)	(425)
Proceeds from sale of other assets, property, plant and equipment	24	20
<b>Net cash (outflow) from investing activities</b>	<b>(722)</b>	<b>(454)</b>
<b>Cash flows from financing activities</b>		
Dividends paid	(1,111)	(864)
<b>Net cash (outflow) from financing activities</b>	<b>(1,111)</b>	<b>(864)</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,547)</b>	<b>604</b>
Cash at the beginning of the financial year	13,823	9,270
<b>Cash at the end of the financial year</b>	<b>12,276</b>	<b>9,874</b>

## Note 1. Basis of Preparation and Accounting Policies

The half-year consolidated financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, applicable Accounting Standard, including AASB 134: *Interim Financial Reporting*, and any other mandatory professional reporting requirements. The half-year financial report has been prepared on a historical cost basis, except for land and buildings that have been measured at fair value.

It is recommended that this financial report be read in conjunction with the annual financial report for the year ended 30 June 2007 and any public announcements made by John Shearer (Holdings) Limited and its controlled entities during the half-year in accordance with continuous disclosure requirements arising under the *Corporations Act 2001*.

The half-year report does not include full disclosures of the type normally included in an annual financial report.

Apart from the changes in accounting policy noted below, the accounting policies and methods of computation are the same as those adopted in the most recent annual financial report.

### Changes in Accounting Policy

Since 1 July 2007 the consolidated entity has adopted the following Standards and Interpretations, mandatory for annual periods beginning on or after 1 July 2007. Adoption of these Standards and Interpretations did not have any effect on the financial position or performance of the consolidated entity.

- AASB 7 Financial Instruments: Disclosures
- AASB 2005-10 Amendments to Australian Accounting Standards (AASB 132, 101, 114, 117, 133, 139, 1, 4, 1023 and 1038)
- Interpretation 8 Scope of AASB 2 Share-based Payment
- Interpretation 9 Reassessment of Embedded Derivatives
- Interpretation 10 Interim Financial Reporting and Impairment
- AASB 2007-1 Amendments to Australian Accounting Standards (AASB 2)
- AASB 2007-4 Amendments to Australian Accounting Standards (AASB 1, 2, 3, 4, 5, 6, 7, 102, 107, 108, 110, 112, 114, 116, 117, 118, 119, 120, 121, 127, 128, 129, 130, 131, 132, 133, 134, 136, 137, 138, 139, 141, 1023 and 1038)
- AASB 2007-7 Amendments to Australian Accounting Standards (AASB 1, 2, 4, 5, 107 and 128)
- AASB Interpretation 11 AASB 2 – Group and Treasury Share Transactions

## Note 2. Revenue and Income

	6 Months to 31 December 2007 \$'000	6 Months to 31 December 2006 \$'000
<b>Revenue</b>		
Sale of goods	19,773	20,459
Interest – Other corporations	485	363
Other miscellaneous revenue (specify below)		
Bad Debts Recovered	3	—
Discounts received	13	11
Rent received	256	352
Royalty	—	9
Scrap Sale	—	2
	<b>20,530</b>	<b>21,196</b>
<b>Other Income</b>		
Profit on sale of non-current and other assets	22	998
	<b>22</b>	<b>998</b>
<b>Total revenue and other income</b>	<b>20,552</b>	<b>22,194</b>

## Note 3. Expenses

Profit before tax expense includes the following expenses:

	6 Months to 31 December 2007 \$'000	6 Months to 31 December 2006 \$'000
<b>Expenses</b>		
Cost of sales of goods	14,126	14,052
Inventory obsolescence	100	500
Buildings depreciation	104	105
Plant and equipment depreciation	373	396
Bad and doubtful debts – trade debtors	31	29
Interest and finance charges paid/payable	45	39
Employee entitlements	1,414	1,361
Service warranties	31	48

## Note 4. Earnings per share

	As at 31 December 2007	As at 31 December 2006
<b>Weighted average number of shares used as the denominator</b>		
Weighted average number of ordinary shares used as the denominator in calculating basic earnings per share	12,339,571	12,339,571
	6 Months to 31 December 2007 \$'000	6 Months to 31 December 2006 \$'000
Basic earnings per share		
Net profit	1,082	2,114
Earnings used in calculating basic earnings per share	1,082	2,114
Diluted earnings per share		
Net profit	1,082	2,114
Earnings used in calculating diluted earnings per share	1,082	2,114

## Note 5. 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.

## Segment information (continued)

### Business 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 and ground engaging tools, transport equipment (including bulk tankers) and cement mixers.

#### Steel Shelving and Storage Systems

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

### Geographical segments

All companies in the consolidated entity operate in one geographical segment, namely, Australia.

The following tables present revenue and profit information for business segments for the half year ended 31 December 2007 and 31 December 2006.

#### Primary reporting – business segments

2007	Agricultural Machinery and Transport Equipment	Steel Shelving and Storage Systems	Inter- segment eliminations/ unallocated	Consolidated
	\$'000	\$'000	\$'000	\$'000
Sales to external customers	3,075	16,698	—	19,773
Total sales revenue	3,075	16,698	—	19,773
Other revenue	294	578	(93)	779
Total segment revenue	3,369	17,276	(93)	20,552
Segment result	(47)	1,652	—	1,605
Profit from continuing operations before income tax expense				1,605
Income tax expense				(523)
Net profit				1,082

Segment information (continued)

2006	Primary reporting – business segments			Consolidated
	Agricultural Machinery and Transport Equipment	Steel Shelving and Storage Systems	Inter- segment eliminations/ unallocated	
	\$'000	\$'000	\$'000	\$'000
Sales to external customers	2,722	17,737	—	20,459
Total sales revenue	2,722	17,737	—	20,459
Other revenue	268	1,574	(107)	1,735
Total segment revenue	2,990	19,311	(107)	22,194
Segment result	(516)	3,526	—	3,010
Profit from continuing operations before income tax expense				3,010
Income tax expense				(896)
Net profit				2,114

## DIRECTORS' DECLARATION

In accordance with a resolution of the directors of John Shearer (Holdings) Limited, I state that:

In the opinion of the directors:

- a) the financial statements and notes of the consolidated entity are in accordance with the *Corporations Act 2001*, including:
  - (i) give a true and fair view of the financial position as at 31 December 2007 and the performance for the half-year ended on that date of the consolidated entity; and
  - (ii) comply's with Accounting Standard AASB 134: *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

On behalf of the Board.



**Allen Elliot Bolaffi**  
Director

**Signed in Adelaide this 28<sup>th</sup> day of February 2008**

## To the members of John Shearer (Holdings) Limited

### Report on the Half-Year Financial Report

We have reviewed the accompanying half year financial report of John Shearer (Holdings) Limited (the company), which comprises the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the period ended on that date, other selected explanatory notes, other information as set out in Appendix 4D to the Australian Stock Exchange (ASX) Listing Rules and the directors' declaration, of the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the half-year end or from time to time during the half year.

#### *Directors' Responsibility for the 31 December 2007 Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the half-year financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Corporations Act 2001* and the ASX Listing Rules as they relate to Appendix 4D. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the half year financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### *Auditor's Responsibility*

Our responsibility is to express a conclusion on the half-year financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of an Interim Financial Report Performed by the Independent Auditor of the Entity*, in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and its performance for the half-year ended on that date; and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*, other mandatory financial reporting requirements in Australia and the ASX Listing Rules as they relate to Appendix 4D. As the auditor of John Shearer (Holdings) Limited and the entities it controlled during the period, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an

audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

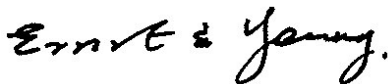
*Independence*

In conducting our review, we have complied with the independence requirements of the *Corporations Act 2001*. We have given to the directors of the company a written Auditor's Independence Declaration, a copy of which is included in the Directors' Report.

*Conclusion*

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the interim financial report of John Shearer (Holdings) Limited is not in accordance with:

- (a) the *Corporations Act 2001*, including:
  - (i) giving a true and fair view of the consolidated entity's financial position as at 31 December 2007 and of its performance for the half-year ended on that date; and
  - (ii) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*; and
- (b) other mandatory financial reporting requirements in Australia and the ASX Listing Rules as they relate to Appendix 4D.



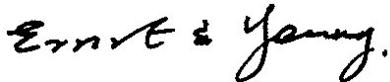
Ernst & Young



Colin Dunsford  
Partner  
Adelaide  
28 February 2008

## **Auditor's Independence Declaration to the Directors of John Shearer (Holdings) Limited**

In relation to our review of the financial report of John Shearer (Holdings) Limited for the half-year ended 31 December 2007, to the best of my knowledge and belief, there have been no contraventions of the auditor independence requirements of the Corporations Act 2001 or any applicable code of professional conduct.



Ernst & Young



Colin Dunsford  
Partner  
Adelaide  
28 February 2008

## **JOHN SHEARER (HOLDINGS) STEADY SHEARER MAINTAINS DIVIDEND**

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It is pleasing to report that recent rain across Australia has led to an increased order book for farm machinery.

The Group remains in a strong cash position with no external debt and continues to be interested in suitable investment opportunities.

Directors are pleased to announce that they will maintain an interim dividend of 6 cents per share fully franked payable on 28 March 2008.