

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 2008
Previous Corresponding Reporting Period	30 JUNE 2007

Results for Announcement to the Market

	\$'000	Percentage increase /(decrease) over previous corresponding period
Revenue	40,695	2.8%
Profit / (loss) after tax attributable to members	2,716	(31.7%)
Net profit / (loss) for the period attributable to members	2,716	(31.7%)
Dividends (distributions)	Amount per security	Franked amount per security
Final Dividend	9.0 cents	9.0 cents
Interim Dividend	—	—
Record date for determining entitlements to the dividends (if any)	16 September 2008	

Report of directors on Financial Results

Shearer posted a significant improvement in profit to \$1.64M in the second half against \$1.08M in the first half to finish the year with \$2.72M on revenues of \$40.7M, which were up from \$39.6m a year earlier. Although the final result was down by 31.7% on the previous year, profit on an underlying basis was stronger after adjusting for a one-time cost of \$830K for the closure of a loss making plant in Western Australia and the benefit of a capital profit of \$1m on the sale of a property in the earlier period.

Sales of agricultural machinery and transport equipment increased by 10% but margins were reduced slightly by higher input costs, including raw materials, and the clearance of slow moving stock.

Brownbuilt shelving and storage systems performed well in the second half and continuing operations should benefit from the recent restructuring in Western Australia.

The Company has made further investment in the joint venture in China, which is moving towards becoming operational later this year.

Shearer has a very strong balance sheet with no debt and, as in the past few years, has maintained strong positive cash flows. The Company is well positioned for future growth.

Shareholders will receive a fully franked final dividend of 9 cents per share to be paid on 16 October 2008, with a record date of 16 September 2008.

The Shearer Board values the ongoing support of customers, dealers and staff.

Allen Elliot Bolaffi
Director and Company Secretary

Dividends

Date the dividend is payable	16 October 2008
Record date to determine entitlement to the dividend	16 September 2008
Amount per security	9.0 cents
Total dividend	\$ 1,110,561
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	3.45	3.39

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 31.7% on the previous corresponding period.
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Returns to shareholders including distributions and buy backs :
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We are pleased to announce that a fully franked dividend of 9.0 cents per share will be paid on 16 October 2008.
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Significant features of operating performance :
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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 :
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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		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	
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:			
Not Applicable			
If the accounts have been audited or subject to review and are subject to dispute or qualification, a description of the dispute or qualification:			
Not Applicable			

Attachments Forming Part of Appendix 4E

Attachment #	Details
1	Press Release

Signed By (Director/Company Secretary)	
Print Name	Allen Elliot BOLAFFI
Date	27 August 2008

DIRECTORS' REPORT

Your directors submit the financial report of the consolidated entity for the financial year ended 30 June 2008.

Directors

The names of directors who held office during or since the end of the financial year ended 30 June 2008:

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	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Agricultural Machinery and Transport Equipment	7,250	6,586	301	370
Steel Shelving and Storage Systems	33,445	32,988	3,450	4,661
	<u>40,695</u>	<u>39,574</u>	<u>3,751</u>	<u>5,031</u>
Unallocated Revenue less Unallocated Expense			—	—
Profit Before Income Tax Expense			3,751	5,031
Income Tax Expense			(1,035)	(1,055)
Profit After Income Tax Expense			<u>2,716</u>	<u>3,976</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: 27 August 2008

**John Shearer (Holdings) Limited and Controlled Entities
Income Statement
for the financial year ended 30 June 2008**

	Current Year \$'000	Previous Corresponding Year \$'000
Continuing Operations		
Revenue and other income	40,695	39,574
Changes in inventories of finished goods and work in progress	(504)	(928)
Raw materials and consumables	(16,751)	(14,390)
Employee benefits expense	(12,655)	(12,249)
Depreciation expense	(951)	(974)
Borrowing costs expense	(82)	(85)
Contractor, subcontractor & commission expenses	(204)	(94)
Repair and maintenance expense	(660)	(585)
Energy costs	(691)	(640)
Freight costs	(1,470)	(1,254)
Other expenses	(2,976)	(3,344)
	3,751	5,031
Profit from continuing operations before income tax expense		
Income tax expense	(1,035)	(1,055)
Profit from continuing operations after income tax expense	2,716	3,976
Net profit for the period	2,716	3,976
Basic Earnings per share (cents)	22.0	32.2
Diluted Earnings per share (cents)	22.0	32.2

The above income statement should be read in conjunction with the accompanying notes.

John Shearer (Holdings) Limited and Controlled Entities
Balance Sheet
as at 30 June 2008

	Current Year \$'000	Previous Corresponding Year \$'000
Current Assets		
Cash and cash equivalents	14,991	13,823
Trade and other receivables	5,334	5,385
Inventories	6,107	5,933
Other financial assets	347	257
Total Current Assets	26,779	25,398
Non-Current Assets		
Investment in associate	1,243	626
Property, plant and equipment	23,598	24,615
Deferred tax assets	1,367	1,299
Total Non-Current Assets	26,208	26,540
Total Assets	52,987	51,938
Current Liabilities		
Trade and other payables	5,444	4,781
Current tax liabilities	176	547
Provisions	1,182	1,223
Total Current Liabilities	6,802	6,551
Non-Current Liabilities		
Provisions	2,266	2,228
Deferred tax liability	943	1,048
Total Non-Current Liabilities	3,209	3,276
Total Liabilities	10,011	9,827
Net Assets	42,976	42,111
Equity		
Contributed equity	8,633	8,633
Reserves	1,373	1,373
Retained earnings	32,970	32,105
Total Equity	42,976	42,111

The above balance sheet should be read in conjunction with the accompanying notes.

**John Shearer (Holdings) Limited and Controlled Entities
Statement of Changes in Equity
for the financial year ended 30 June 2008**

CONSOLIDATED ENTITY	Asset Revaluation Reserve \$'000	Contributed Equity \$'000	Retained Earnings \$'000	TOTAL \$'000
BALANCE AT 1 JULY 2006	1,893	8,633	29,212	39,738
Reversal of asset revaluations for realised asset disposals	(520)	—	520	—
Profit for the year	—	—	3,976	3,976
Total income and expense for the period	(520)	—	4,496	3,976
Dividends provided for or paid	—	—	(1,603)	(1,603)
BALANCE AT 30 JUNE 2007	1,373	8,633	32,105	42,111
CONSOLIDATED ENTITY	Asset Revaluation Reserve \$'000	Contributed Equity \$'000	Retained Earnings \$'000	TOTAL \$'000
BALANCE AT 1 JULY 2007	1,373	8,633	32,105	42,111
Profit for the year	—	—	2,716	2,716
Total income and expense for the period	—	—	2,716	2,716
Dividends provided for or paid	—	—	(1,851)	(1,851)
BALANCE AT 30 JUNE 2008	1,373	8,633	32,970	42,976

The above statement of changes in equity should be read in conjunction with the accompanying notes.

John Shearer (Holdings) Limited and Controlled Entities
Cash Flow Statement
for the financial year ended 30 June 2008

	Current Year \$'000	Previous Corresponding Year \$'000
Cash flows from operating activities		
Receipts from customers (inclusive of goods and services tax)	43,825	44,032
Payments to suppliers and employees (inclusive of goods and services tax)	(39,429)	(38,538)
Payments of income tax	(1,573)	(1,673)
	<u>2,823</u>	<u>3,821</u>
Interest received	1,020	779
Borrowing costs	(82)	(85)
Net cash inflow/(outflow) from operating activities	<u>3,761</u>	<u>4,515</u>
Cash flows from investing activities		
Payments from property, plant and equipment	(234)	(766)
Payments for investments	(617)	(425)
Proceeds from sale of other assets, property, plant and equipment	109	2,832
Net cash inflow/(outflow) from investing activities	<u>(742)</u>	<u>1,641</u>
Cash flows from financing activities		
Dividends paid	(1,851)	(1,603)
Net cash (outflow) from financing activities	<u>(1,851)</u>	<u>(1,603)</u>
Net increase (decrease) in cash held	1,168	4,553
Cash at the beginning of the financial year	13,823	9,270
Cash at the end of the financial year	<u>14,991</u>	<u>13,823</u>

The above cash flow statement should be read in conjunction with the accompanying notes.

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 2007 annual report.

Note 2. Revenue and Income

	Current Year \$'000	Previous Corresponding Year \$'000
Revenue		
Sale of goods	39,091	37,076
Other Revenue		
Interest – Other corporations	1,020	779
Other miscellaneous revenue (specify below)		
Rent received	498	665
Discount Received	42	102
Customer Overpayments	—	2
Royalty	—	9
Sundries	3	4
	1,563	1,561
Other Income		
Profit on sale of non-current and other assets	41	937
	41	937
Total Income	40,695	39,574

Note 3. Income tax

	Current Year \$'000	Previous Corresponding Year \$'000
Income tax expense		
Current income tax expense	1,303	1,467
Deferred tax	(174)	(387)
Under (over) provided in prior years	(94)	(25)
Income tax expense	<u>1,035</u>	<u>1,055</u>
Reconciliation between income tax expense and prima facie tax payable		
Profit from continuing operations before income tax expense	<u>3,751</u>	<u>5,031</u>
Tax at 30% (2007: 30%)	1,125	1,509
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Relocation expenses	—	6
Benefit of tax losses of prior years recouped	—	(267)
Overseas travel	4	—
Other	—	(168)
Under (over) provided in prior years	(94)	(25)
Income tax expense	<u>1,035</u>	<u>1,055</u>
Analysis of deferred tax assets:		
Provision for inventory losses	251	170
Prepayments	44	21
Plant & Equipment	—	—
Employee entitlements	903	959
Other	169	149
Deferred tax assets	<u>1,367</u>	<u>1,299</u>

Income tax (continued)

Analysis of deferred tax liabilities:

Land and Buildings	770	674
Plant and Equipment	173	374
Deferred tax liabilities	<u>943</u>	<u>1,048</u>

Note 4. Retained earnings

	Current Year \$'000	Previous Corresponding Year \$'000
Retained earnings at the beginning of the financial year	32,105	29,212
Net profit attributable to members of John Shearer (Holdings) Limited	2,716	3,976
Reversal of asset revaluations for realised asset disposals	—	520
Dividends provided for or paid	<u>(1,851)</u>	<u>(1,603)</u>
Retained earnings at the end of the financial year	<u>32,970</u>	<u>32,105</u>

Note 5. Earnings per share

	Current Year	Previous Corresponding Year
Basic earnings per share (cents)	22.0	32.2
Diluted earnings per share (cents)	22.0	32.2
Reconciliations of earnings used in calculating earnings per share	2008 \$'000	2007 \$'000
Basic earnings per share		
Net profit	<u>2,716</u>	<u>3,976</u>
Earnings used in calculating basic earnings per share	<u>2,716</u>	<u>3,976</u>
Diluted earnings per share		
Net profit	<u>2,716</u>	<u>3,976</u>
Earnings used in calculating diluted earnings per share	<u>2,716</u>	<u>3,976</u>
	Current Year	Previous Corresponding Year
Weighted average number of shares used as the denominator		
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	2,716	3,976
Depreciation and amortisation	951	974
Provision for doubtful debts	(5)	—
(Profit) on sale of non-current assets	(41)	(1,002)
Loss on sale of non-current assets	—	65
Non-current assets written-off	232	—
Decrease (increase) in trade debtors	115	659
Decrease (increase) in inventories	(174)	1,072
Decrease (increase) in other operating assets	(219)	(512)
Increase (decrease) in trade creditors	736	(523)
Increase (decrease) in other operating liabilities	(344)	(286)
Increase (decrease) in other provisions	(206)	92
	<u>3,761</u>	<u>4,515</u>
Net cash inflow from operating activities	<u>3,761</u>	<u>4,515</u>

Note 7. Segment information

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.

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.

Holding Company

The principal continuing activities of the consolidated entity are consolidated by John Shearer (Holdings) Limited.

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.

Geographical segments

The consolidated entity’s divisions operate in two main geographical areas:

Australia

The home country of the consolidated group is Australia. The areas of operation are principally agricultural machinery and transport equipment and steel shelving and storage systems.

Asia

Comprises operations being developed in China. The steel shelving and storage systems division (in particular case goods) will operate in this country.

Segment information (continued)

The following tables present revenue, profit and balance sheet information regarding business segments for the year ended 30 June 2008.

	2008				Consolidated
	Primary reporting – business segments			Inter-segment eliminations / unallocated	
	Holding Company	Agricultural Machinery and Transport Equipment	Steel Shelving and Storage Systems		
	\$'000	\$'000	\$'000	\$'000	\$'000
Sales to external customers	—	6,847	32,244	—	39,091
Total sales revenue	—	6,847	32,244	—	39,091
Other revenue	33	588	1,201	(218)	1,604
Total segment revenue	33	7,435	33,445	(218)	40,695
Segment result	1	300	3,450	—	3,751
Profit before income tax expense					3,751
Income tax expense					(1,035)
Net profit					2,716
Total segment assets	17,169	29,593	34,913	(28,688)	52,987
Total segment liabilities	8,530	5,324	7,439	(11,282)	10,011
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	—	9	225	—	234
Depreciation expense	—	425	526	—	951
Net cash inflow from operating activities	—	627	3,134	—	3,761

Segment information (continued)

	2007				Consolidated
	Primary reporting – business segments			Inter-segment eliminations / unallocated	
	Holding Company	Agricultural Machinery and Transport Equipment	Steel Shelving and Storage Systems		
\$'000	\$'000	\$'000	\$'000	\$'000	
Sales to external customers	—	6,279	30,797	—	37,076
Total sales revenue	—	6,279	30,797	—	37,076
Other revenue	27	493	2,191	(213)	2,498
Total segment revenue	27	6,772	32,988	(213)	39,574
Segment result	1	369	4,661	—	5,031
Profit before income tax expense					5,031
Income tax expense					(1,055)
Net profit					3,976
Total segment assets	17,169	29,755	33,715	(28,701)	51,938
Total segment liabilities	8,531	5,540	7,051	(11,295)	9,827
Acquisition of property, plant and equipment, intangibles and other non-current segment assets	—	55	1,136	—	1,191
Depreciation expense	—	424	550	—	974
Net cash inflow from operating activities	—	996	3,519	—	4,515

Secondary reporting – geographical segments

	Segment revenues From sales to external customers		Segment assets		Acquisition of property, plant and equipment, intangibles and other non-current segment assets	
	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Australia	39,091	37,076	51,744	51,312	234	1,191
China	—	—	1,243	626	—	—
	39,091	37,076	52,987	51,938	234	1,191

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 the revised segment reporting accounting standard, AASB 114 *Segment Reporting*.

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 goodwill 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.

(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

DIRECTORS' DECLARATION

The directors of John Shearer (Holdings) Limited declare that:

- (a) in the directors' opinion the financial statements and notes of the Company and the consolidated entity have been prepared in accordance with the Corporations Act 2001, including that they:
 - (i) comply with Australian Accounting Standards and Corporations Regulations 2001; and
 - (ii) give a true and fair view of the financial position of the Company and of the consolidated entity as at 30 June 2008 and of their performance as represented by the results of their operations and their cash flows for the year ended on that date; and
- (b) the directors have been given the declarations by the Managing Director and Chief Financial Officer required by Section 295A; and
- (c) in the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

At the date of this declaration, there are reasonable grounds to believe that the Company and its controlled entities, a consolidated entity, will be able to meet any obligations or liabilities to which they are, or may become.

Signed in accordance with a resolution of the directors.

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Allen Elliot Bolaffi
Director and Company Secretary

Dated this 27th day of August 2008

PRESS RELEASE

SHEARER CULTIVATES FOR THE FUTURE

Shearer posted a significant improvement in profit to \$1.64M in the second half against \$1.08M in the first half to finish the year with \$2.72M on revenues of \$40.7M, which were up from \$39.6m a year earlier. Although the final result was down by 31.7% on the previous year, profit on an underlying basis was stronger after adjusting for a one-time cost of \$830K for the closure of a loss making plant in Western Australia and the benefit of a capital profit of \$1m on the sale of a property in the earlier period.

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For further information contact:

Allen Bolaffi
Director and Company Secretary

Mobile: 0419 998 866