

## Preliminary Final Report and Dividend Announcement

### EMBELTON LIMITED ACN 004 401 496 For Year Ended 30 June 2016

#### Results for Announcement to the Market

				<u>\$A'000</u>
Revenues	Up	15.7%	to	45,364
Profit after tax attributable to members	Up	31.6%	to	2,025
Net profit for the period attributable to members	Up	31.6%	to	2,025
<b>Dividends (distributions)</b>	Amount per security		Franked amount per security	
Interim Dividends	15.5¢		15.5¢	
Final Dividend				
Special Dividend	5.0¢		5.0¢	
Ordinary Dividend	<u>22.0¢</u>		<u>22.0¢</u>	
Total Dividends for year	<u>42.5¢</u>		<u>42.5¢</u>	
Previous Corresponding Period:				
Final Ordinary Dividend	<u>20.0¢</u>		<u>20.0¢</u>	
	<u>20.0¢</u>		<u>20.0¢</u>	
Record date for determining entitlements to the dividend		16 September 2016		

## Condensed consolidated statement of comprehensive income

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Revenues	45,364	39,202
Expenses	42,434	37,004
Finance costs	18	7
<b>Profit before tax</b>	<b>2,911</b>	<b>2,191</b>
Income tax	886	652
<b>Profit after tax</b>	<b>2,025</b>	<b>1,539</b>
Other Comprehensive income	8	33
Total Comprehensive income	<b>2,033</b>	<b>1,572</b>
<b>Net profit for the period attributable to members</b>	<b>2,025</b>	<b>1,539</b>
<b>Total Comprehensive income attributable to members</b>	<b>2,033</b>	<b>1,572</b>

## Consolidated retained profits

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Retained profits at the beginning of the financial period	11,673	10,813
Net profit attributable to members	2,025	1,539
Dividends and other equity distributions paid	766	679
<b>Retained profits at end of financial period</b>	<b>12,932</b>	<b>11,673</b>

## Earnings per security (EPS)

	Current period	Previous corresponding period
Basic EPS	94 cents	71 cents
Diluted EPS	94 cents	71 cents

## Notes to the condensed consolidated statement of comprehensive income

### Revenue and expenses

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Revenue from sales or services	44,867	38,870
Interest revenue	7	6
Other relevant revenue	491	326
Details of relevant expenses	31,423	26,510
Cost of goods sold		
Depreciation and amortisation excluding amortisation of intangibles	333	342

### Comparison of half year profits

	Current year (\$A'000)	Previous year (\$A'000)
Consolidated profit after tax attributable to members reported for the 1st half year	955	817
Consolidated profit after tax attributable to members for the 2nd half year	1,070	722

## Condensed consolidated statement of financial position

	At end of current period (\$A'000)	At end of corresponding prior period (\$A'000)
<b>Current assets</b>		
Cash and cash equivalents	529	1,302
Receivables	5,188	4,461
Inventories	9,978	8,289
Other	193	235
<b>Total current assets</b>	<b>15,888</b>	<b>14,287</b>
<b>Non-current assets</b>		
Property, plant and equipment (net)	6,322	3,550
Tax assets	640	474
<b>Total non-current assets</b>	<b>6,962</b>	<b>4,024</b>
<b>Total assets</b>	<b>22,850</b>	<b>18,311</b>
<b>Current liabilities</b>		
Payables	6,920	4,013
Tax liabilities	359	271
Provisions exc. tax liabilities	1,269	1,018
<b>Total current liabilities</b>	<b>8,548</b>	<b>5,302</b>
<b>Non-current liabilities</b>		
Tax liabilities	14	12
Provisions exc. tax liabilities	159	135
<b>Total non-current liabilities</b>	<b>173</b>	<b>147</b>
<b>Total liabilities</b>	<b>8,721</b>	<b>5,449</b>
<b>Net assets</b>	<b>14,129</b>	<b>12,862</b>
<b>Equity</b>		
Contributed equity	1,156	1,156
Reserves	41	33
Retained profits	12,932	11,673
<b>Equity attributable to members of the parent entity</b>	<b>14,129</b>	<b>12,862</b>
<b>Total equity</b>	<b>14,129</b>	<b>12,862</b>

## Condensed consolidated statement of cash flows

	Current period (\$A'000)	Previous corresponding period (\$A'000)
<b>Cash flows related to operating activities</b>		
Receipts from customers	49,093	41,921
Payments to suppliers and employees	(44,881)	(39,601)
Interest and other items of similar nature received	7	6
Finance costs	(25)	(7)
Income taxes paid	(960)	(575)
<b>Net operating cash flows</b>	<b>3,234</b>	<b>1,744</b>
<b>Cash flows related to investing activities</b>		
Payment for purchases of property, plant and equipment	(3,256)	(278)
Proceeds from sale of property, plant and equipment	15	9
<b>Net investing cash flows</b>	<b>(3,241)</b>	<b>(269)</b>
<b>Cash flows related to financing activities</b>		
Dividends paid	(766)	(680)
<b>Net financing cash flows</b>	<b>(766)</b>	<b>(680)</b>
<b>Net increase in cash held</b>	<b>(773)</b>	<b>795</b>
Cash and cash equivalents at beginning of period	1,302	507
<b>Cash and cash equivalents at end of period</b>	<b>529</b>	<b>1,302</b>

## Notes to the Condensed Consolidated Statement of Cash Flows

### Reconciliation of cash and cash equivalents

Reconciliation of cash at the end of the period (as shown in the consolidated cash flow statement) to the related items in the accounts is as follows.	Current period (\$A'000)	Previous corresponding period (\$A'000)
Cash on hand and at bank	379	301
Commercial Bills	(1,250)	(1,250)
Deposits at call	1,400	1,001
<b>Total cash and cash equivalents at end of period</b>	<b>529</b>	<b>1,302</b>

## Statement of Changes in Equity

	Contributed Equity (\$A'000)	Foreign Currency Translation Reserve (\$A'000)	Retained Profits (\$A'000)	Total (\$A'000)
<b>As at 1 July 2014</b>	<b>1,156</b>	-	<b>10,813</b>	<b>11,969</b>
Profit for the period	-	-	1,539	1,539
Other Comprehensive income	-	33	-	33
Total Comprehensive income	-	33	1,539	1,572
Dividends paid	-	-	(679)	(679)
<b>At 30 June 2015</b>	<b>1,156</b>	<b>33</b>	<b>11,673</b>	<b>12,862</b>
Profit for the period	-	-	2,025	2,025
Other Comprehensive income	-	8	-	8
Total Comprehensive income	-	8	2,025	2,033
Dividends paid	-	-	(766)	(766)
<b>At 30 June 2016</b>	<b>1,156</b>	<b>41</b>	<b>12,932</b>	<b>14,129</b>

## Other notes to the condensed financial statements

### Ratios

	Current period	Previous corresponding period
<b>Profit before tax / revenue</b>		
Consolidated profit before tax as a percentage of revenue	6.5%	5.6%
<b>Profit after tax / equity interests</b>		
Consolidated net profit after tax attributable to members as a percentage of equity (similarly attributable) at the end of the period	14.3%	12.0%

### NTA backing

	Current period	Previous corresponding period
Net tangible asset backing per ordinary security	\$6.55	\$5.96

## Dividends

Date the dividend (distribution) is payable

7 October 2016

Record date to determine entitlements to the dividend

16 September 2016

If it is a final dividend, has it been declared?

This is a declared Final Dividend

## Amount per security

	Amount per security	Franked amount per security (at 30% tax)	Amount per security of foreign source dividend
<b>Final Dividend:</b>			
Current Year			
Special Dividend	5.0¢	5.0¢	Nil
Ordinary Final Dividend	22.0¢	22.0¢	Nil
Previous Year			
Ordinary Dividend	20.0¢	20.0¢	Nil
<b>Interim dividend:</b> Current year	15.5¢	15.5¢	Nil
Previous year	14.0¢	14.0¢	Nil

## Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	42.5¢	34.0¢
Preference securities	-	-

## Preliminary final report – total dividend for the year on all securities

	Current period (\$A'000)	Previous corresponding period (\$A'000)
Ordinary securities	917	734
Preference securities	-	-
Other equity instruments	-	-
<b>Total</b>	<b>917</b>	<b>734</b>

## Segmental Information

Merchandising Vic Tas SA (\$A'000)	Merchandising Rest of Aust & Overseas (\$A'000)	Manufacturing (\$A'000)	Consolidated (\$A'000)
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### 12 months to June 2016

#### Revenue

Total Operating Revenue	20,387	22,518	5,420	48,325
Less Elimination on Consolidation	-	-	(4,614)	(4,614)
<b>Total External Operating Revenue</b>	<b>20,387</b>	<b>22,518</b>	<b>806</b>	<b>43,711</b>

#### Results

Segment results	1,357	1,461	286	3,104
			Unallocated expenses	(193)
<b>TOTAL OPERATING PROFIT BEFORE INCOME TAX</b>				<b>2,911</b>

#### Assets

	8,634	10,849	2,356	22,839
			Unallocated assets	11
<b>TOTAL ASSETS</b>				<b>22,850</b>

## DIRECTORS COMMENTS

The satisfactory increase in earnings reflects a continuation of robust construction activity throughout Australia, with particularly strong revenue growth in the second half. Both operating divisions, flooring and engineering, contributed equally to the result, as each has been able to respond to the buoyant residential and commercial building development occurring in most capital cities.

Given ongoing strength in the construction environment, the Group remains well positioned for the current period. However, with some levelling of activity expected as the current phase of the domestic building cycle matures, the Company is continuing to bolster its product portfolio and explore opportunities in other markets.



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**Basis of financial report preparation**

Material factors affecting the revenues and expenses of the economic entity for the current period.

NIL
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A description of each event since the end of the current period which has had a material effect and which is not already reported elsewhere in this Appendix or in attachments, with financial effect quantified (if possible).

NIL
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Unless disclosed below, the accounting policies, estimation methods and measurement bases used in this report are the same as those used in the last annual report. Any changes in accounting policies, estimation methods and measurement bases since the last annual report are disclosed as follows. (Disclose changes and differences in the half yearly report in accordance with *AASB 1029: Interim Financial Reporting*. Disclose changes in accounting policies in the preliminary final report in accordance with *AASB 1001: Accounting Policies-Disclosure*).

NIL
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Revisions in estimates of amounts reported in previous interim periods. For half yearly reports the nature and amount of revisions in estimates of amounts reported in previous annual reports if those revisions have a material effect in this half year.

NIL
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Changes in contingent liabilities or assets. For half yearly reports, changes in contingent liabilities and contingent assets since the last annual report.

NIL
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## Annual meeting

The annual meeting will be held as follows:

Place	147 Bakers Road, Coburg VIC 3058
Date	10 November 2016
Time	11:00am
Approximate date the annual report will be available	29 September 2016

## Compliance statement

1. This report has been prepared in accordance with AASB Standards, other AASB authoritative pronouncements and Urgent Issues Group Consensus Views or other standards acceptable to ASX .
2. This report, and the accounts upon which the report is based (if separate), use the same accounting policies.
3. This report does give a true and fair view of the matters disclosed (see note 2).
4. This report is based on accounts to which one of the following applies.  
(Mark one)

<input type="checkbox"/>	The accounts have been audited.	<input type="checkbox"/>	The accounts have been subject to review.
<input checked="" type="checkbox"/>	The accounts are in the process of being audited or subject to review.	<input type="checkbox"/>	The accounts have <i>not</i> yet been audited or reviewed.
5. If the audit report or review by the auditor is not attached, details of any qualifications are attached/will follow immediately they are available.
6. The entity does not have a formally constituted audit committee.



James Embelton  
Managing Director

23 August 2016