

SILVER CHEF LIMITED – FIRST HALF RESULTS

	1H13	1H14	Change
Revenue	\$53.6m	\$67.4m	+25.9%
Rental assets (at cost)*	\$257.4m	\$274.5m	+6.6%
NPAT	\$5.9m	\$6.5m	+9.5%
Underlying NPAT	\$5.9m	\$5.8m	-1.4%
Net operating cash flows	\$36.7m	\$40.7m	+10.9%
Basic EPS	21.9cps	22.4cps	+ 2.3%
Dividend (fully franked)	14.0cps	14.0cps	unchanged

* Reflects movement in rental assets at cost from the balance at 30 June 2013.

Leading equipment finance provider Silver Chef Limited (ASX:SIV) has today reported a 9.5% increase in net profit after tax to \$6.5 million (1H13: \$5.9 million) for the six months ended 31 December 2013.

The result was positively impacted by gains relating to the write-back of long term incentive accruals (\$0.4 million after tax) and an accounting change in recognition of long term contracts as finance leases.

Underlying net profit after tax (which excludes the impact of the incentive accruals and the long term contract changes) fell slightly from \$5.9 million in 1H13 to \$5.8 million in 1H14. The underlying net profit after tax result was at the upper end of guidance provided on 13 December 2013.

The underlying result reflects the impact of slower than expected asset acquisitions in the GoGetta business and the costs of investing for longer term growth in Canada (pre-tax cost of \$0.6 million).

The Board has declared a 14.0 cent fully franked interim dividend, in line with the FY13 interim dividend. The dividend has a Record Date of 10 March 2014 and is payable on 24 March 2014.

The hospitality division continued to perform strongly in the first half with acquisitions of \$47.0 million, an increase of 26.9% since 30 June 2013. Hospitality rental assets (at cost) were up 9.3% to \$189.6 million (30 June 2013: \$173.5 million).

Demand for Silver Chef's Rent.Try.Buy and Easy Own rental products remains resilient.

GoGetta's asset acquisition rate slowed to 3.9% from 31.6% in FY13 and 53.3% in FY12 with \$23.6 million in acquisitions for the first half. Rental assets (at cost) increased 1.1% to \$84.9 million (30 June 2013: \$84.0 million). GoGetta suffered from internal issues around recruitment, training and support of sales staff. Resolution of these issues is well underway.

The Company has extended the term of its \$120 million debt facility with Commonwealth Bank to December 2015. As at 31 December 2013, the facility was drawn to \$75.1 million.

Net profit after tax for FY14 is expected to be between \$12.3 million and \$12.7 million. This reflects the positive impact of the classification of long term rental contracts as finance leases offset by the slower than expected GoGetta asset acquisitions in the first half which will have an impact on GoGetta rental revenue in the second half of FY14.

As announced on 14 February 2014, Allan English assumed the role of Executive Chairman on the standing down of the former CEO. Mr English's return to the business in an executive capacity will ensure an orderly transition and focus on growth in the Company's Silver Chef and GoGetta brands. The search for a new CEO will commence shortly.

Don Mackenzie
Company Secretary

ENDS

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About Silver Chef

Silver Chef was established in 1986 to help businesses fund their equipment needs through the Rent-Try-Buy® and Rent-Grow-Own® Solutions. This keeps their options open and preserves their cash to grow their business.

Silver Chef Limited is an Australian Securities Exchange-listed company (ASX Code: SIV) focused on rentals of commercial equipment to small-to-medium enterprise. The company has operations in Australia, New Zealand and Canada and operates under two brands: Silver Chef – hospitality assets and GoGetta – broader commercial equipment.

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