

MEDIA/ ASX ANNOUNCEMENT

28 August 2009



Silver Chef lifts pre-tax profit 4% to \$3.9 million

Highlights

- **Rental income up 20% to \$34.9m**
- **Net Profit Before Tax up 4% to \$3.9m**
- **Operating cash flow up 16% to \$20.5m**
- **Return on average shareholders' funds 25% up from 22% in 2008**

Silver Chef Limited (ASX Code: SIV) today announced a pre-tax Net Profit of \$3.931 million up 4 per cent \$3.793 million from the 2008 result. The result was driven by a 20 per cent increase in equipment rental income to \$34.9 million for the full year and a 32 percent increase in hospitality equipment acquisitions.

After a slower than expected first half, strong new business drawdowns saw pre-tax profit double from \$1.4 million for the six months to December 31, to \$2.8 million for the six months to June 30.

After adjusting for two abnormal items in the previous year the pre-tax result was up 14 per cent from \$3.793 million on 2008.

After tax profit of \$3.592 million equated to earnings per share of 22.5 cents, up 28.6 per cent from 17.5 cents in 2008. The Company benefited from a lower tax expense as a result of the investment allowance on qualifying assets acquired during the period.

Review of year

Silver Chef Managing Director Allan English said he was very confident of the Company's positioning and growth momentum.

"In particular, the GoGetta business is starting to perform strongly - a very positive indicator for future growth," he said.

"GoGetta acquisitions exceeded \$8 million in its first full year of trading," he said.

"The core Hospitality division performed strongly during the year, underpinned by growth of 32 per cent in acquisitions to \$33.3 million."

Mr. English said the first full year of the Dealer Incentive Program had also played a significant role in driving this growth.

"Each section of the business is well managed and structured, with small, enthusiastic teams of employees providing an excellent platform for growth," he said.

"Incentive-based pay has been implemented at all employee levels across the Company and improvements in terms of increased transactions and cost savings have already been noted."

Funding

The BankWest \$45 million funding facility drawn in July 2008 has, in conjunction with Silver Chef's own cash flows, provided the funding for the strong growth in 2009. As previously announced, the business growth over the last seven months has meant that the Company will reach the limit of its banking facility some nine months earlier than expected. The facility has two years to run. Discussions with the Company's bankers and other advisers has lead it to conclude that some restrictions on growth combined with raising additional equity and quasi equity (combined with recycling existing cash flows) would be an appropriate mix to fund the next 12 months new business growth.

Dividend

The Board has approved a final dividend of 10 cents per share fully franked, payable on 15 January 2010. This brings the full year dividend to 14 cents per share fully franked (2008:13.7 cents)

Outlook

The directors believe that the business model supported by a strong group of managers and supporting teams will continue to deliver significant growth. At this stage and while the Company finalises plans for raising additional equity and/or quasi equity we are expecting earnings per share of approximately 23 cents for 2010. This is based in part on assuming sub-optimum growth and some dilution from the issue of additional equity.

ENDS

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About Silver Chef

Silver Chef was established in 1986 to help businesses fund their equipment needs through our Rent-Try-Buy Solution. 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 long term rentals of commercial equipment to small-to-medium enterprise.

The Company has nation-wide operations and operates under two brands: Silver Chef - hospitality assets; and GoGetta - broader commercial equipment