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ASX ANNOUNCEMENT

Silver Chef Ltd lifts NPBT 29% in solid results performance

Highlights

- Solid annual results for revenue, profit, EPS and DPS
- NPBT up 29.4% to \$9.7 million from \$7.5 million
- Revenue up 27.6% to \$62.9 million from \$49.3 million
- Final dividend of 11 cps taking full year fully franked dividend to 20 cps (2010:18 cps)
- Basic EPS 29.7 cps (re-stated 2010:26.6 cps) achieved off expanded share base
- NTA lifts 20% to \$1.32 per share

Leading business equipment financier **Silver Chef Limited (ASX Code: SIV)** today announced solid annual financial results with across-the-board gains in revenue, profit and shareholder dividends.

Silver Chef's roll out of its new growth strategy at the start of the financial year sharply lifted revenues from rental income in the Company's two equipment rental divisions.

For the 12 months to 30 June 2011, Silver Chef reported that its revenues from rental income lifted 27.8% to \$62.7 million from the previous year of \$49.1 million.

Net profit before tax (NPBT) rose 29.4% to \$9.7 million from \$7.5 million, after \$1.0 million in one-off items. Net profit after tax (NPAT) also increased strongly, lifting 28.3% to \$6.7 million (2010:\$5.2 million).

One-off items of \$1.015 million

- a) Write off of the unamortised BankWest funding costs from the Company's previous debt facility, \$ 336k. This facility was paid out early in August 2010 when the Company received a new extended facility from CBA and this charge represented the unamortised component of the establishment costs of the BankWest facility.
- b) Revaluation of the derivative instrument utilised to manage Silver Chef's interest rate exposure, \$ 376k. The interest rate on \$30 million of the Group's debt is fixed via a fixed interest rate swap. These derivatives are required to be valued on a mark to market basis each reporting period. Assuming the Company does not repay this portion of its debt facility before the derivative expires, this charge will eventually be recouped against profit or loss.
- c) Impairment on the properties held on the Silver Chef balance Sheet, \$ 303k. The Company is divesting all properties and they will not be replaced.

Directors have declared a fully franked final dividend of 11 cents per share, up from the previous final dividend of 10 cents per share. The final dividend takes the annual dividend to 20 cents per share, an 11.1% increase from the previous 18 cents per share.

Chairman Allan English said he was pleased to announce the solid financial result in a year when Silver Chef was celebrating its silver anniversary, the Company having been founded in 1986 before progressing to a 2005 ASX listing.

“Silver Chef has established an extremely strong track record over the past 25 years and this year’s financial results show that our unique financing model, together with our growth strategies, continues to achieve results.”

Chief Executive Officer Charles Gregory said growth had been achieved across both of the Company’s divisions – Hospitality, which provides equipment to restaurants, cafes and other food outlets, and the GoGetta division, which provides commercial equipment to other sectors including construction, earthmoving and the commercial trailer market.

Results summary

Item	FY2011	FY2010	Change
Total Revenue	\$62.9 million	\$49.3million	+ 27.6%
Rental Income	\$62.7 million	\$49.1 million	+ 27.8%
NPBT	\$9.7 million	\$7.5 million	+ 29.4%
NPAT	\$6.7 million	\$5.2 million	+ 28.3%
Final Dividend	11cps	10cps	+10.0%
Annual Dividend	20cps	18cps	+11.1%
EPS (Basic) cents per share	29.7	26.6	+11.7%
Rental Assets under management	\$141.2 million	\$109.4 million	+29.1%
NTA per share	\$1.32	\$1.10	+20.0%
Net Operating cash flows	\$43.4 million	\$35.2 million	+23.3%
Shareholder equity	\$31.1 million	\$24.4 million	+27.5%

Results review

Mr Gregory said Silver Chef commenced a new phase at the start of the financial year with the completion of the Company’s leadership transition and the implementation of the next stage of its growth strategy. In addition, a new funding arrangement came into operation in August 2010.

“This funding, together with our strong operational cash flows, has given Silver Chef the capability to grow and acquire additional rental assets for both our Hospitality and GoGetta divisions,” Mr Gregory said.

“The resulting FY2011 performance is pleasing because it clearly demonstrates that our new phase is already delivering what we believed it would - growth in the business and additional value creation for our shareholders.”

Mr Gregory said Silver Chef continued to efficiently convert asset acquisitions into secure, annuity-style rental income streams. “This is evidence of both the strength of the unique Silver Chef business model and our strategy to continue to grow existing market share for both our divisions and to secure new markets,” he said.

In his comments, Mr English said the leadership transition had completed smoothly. "The leadership team at Silver Chef is delivering a high-quality performance and they continue to implement our strategic growth plans very effectively".

Dividend

The Board has declared a final dividend of 11 cents per share, fully franked, with a record date of 9 September 2011 and payable on 30 September 2011. Shareholders will continue to be able to utilise the company's Dividend Reinvestment Plan.

Significant events

Mr Gregory said the capabilities of the Silver Chef team and the strength and reliability of the Company's systems had been proven during the challenging circumstances brought about by natural disasters experienced at the start of the calendar year.

"Our FY2011 performance demonstrates the capabilities of our people and the strength and reliability of our systems to overcome the challenging circumstances brought about by these natural disasters," Mr Gregory said.

"We were able to provide quick, practical support and assistance to our affected customers. The "Silver Lining" promotion geared towards assisting clients through the recovery period has proven to be Silver Chef Limited's most successful campaign ever, creating goodwill with our clients and dealers and value for our shareholders."

Mr English commented that, in addition to the natural disasters, there had been challenging circumstances in the tourism and retail markets during the year. "While retail sales have been very slow this year, the performance of restaurants, cafes and other food outlets has held up very well," Mr English said.

"Although some of our Hospitality customers faced challenges from the natural disasters experienced at the start of the calendar year, the hospitality sector continued to perform well," Mr English said. "Our GoGetta division also experienced strong growth and the growth in this division has allowed us to further expand our exposure to a range of markets and gain entry to new markets where there are significant opportunities".

Growth strategy

Mr Gregory said the \$74.7 million funding arrangement made in August 2010 with the Commonwealth Bank of Australia had assisted in the financing of Silver Chef's growth strategy during the year.

"This arrangement was a major achievement for Silver Chef and provided the capability to underpin our growth strategy. This funding, together with our strong operating cash flows and demonstrated capacity to access equity markets, remain sufficient to meet our ongoing requirements," Mr Gregory said.

Rental assets (at cost) under management in both divisions grew during the year to a combined \$141.2 million, up from \$109.5 million a year earlier. Net Tangible Asset (NTA) backing per share increased 20 per cent to \$1.32 from the previous \$1.10.

Hospitality

Hospitality is Silver Chef's core division and again performed strongly. Acquisitions grew to \$45.4 million from \$38.2 million with rental assets under management (at cost) of \$108.6 million up from \$90.3 million. Hospitality achieved organic growth within its existing customer markets as well as by extending its offer to franchise operators.

GoGetta

GoGetta successfully completed its third, full financial year of operations. The division's acquisitions increased 70% compared with the previous year, lifting to \$24.6 million.

The division's performance confirmed that the Rent Try Buy model of the Hospitality division has been successfully adapted for GoGetta's offer of Rent Grow Own. New market sectors were identified during the year and all sectors are performing well. Rental assets under management (at cost) grew from \$19.1 million to \$32.6 million.

The focus for FY2012 is continued growth through identifying new sectors and deploying strategies to maximise the contract length achieved.

Outlook

Silver Chef has a long established record of success in both good and bad economic times. The Company will continue to benefit from strong business fundamentals with high utilisation of new and refurbished rental assets, strong recurring income streams and excellent risk management strategies.

FY2011 was another year of growth and achievement for Silver Chef and the Company expects continued growth throughout FY2012 across both business divisions.

Silver Chef has solid organic growth opportunities, including the opportunity to expand further in the hospitality and related sectors, both in Australia and abroad.

GoGetta is focusing its growth on the Australian market where it is identifying new sectors that will benefit from, and value, the Rent Grow Own product offering.

Don Mackenzie
Company Secretary

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For more information please visit our website www.silverchef.com.au or contact:

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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 nationwide operations and operates under two brands: Silver Chef – hospitality assets; and GoGetta - broader commercial equipment