DEXION®

smarter thinking

2005 ANNUAL REPORT

SMARTER

**STORAGE SOLUTIONS.
THAT'S OUR BUSINESS.**

Dexion is the leading storage equipment supplier in Australia and strategically positioned to meet growing demand in Asia-Pacific and the Middle East. Its manufacturing facilities in Sydney and Malaysia supply these markets with:

- industrial storage equipment for companies in manufacturing, distribution, warehousing and retailing that store goods on pallets, in cartons and as single items, and
- filing and storage equipment for offices, hospitals, libraries, museums, galleries and hospitality venues to store files, documents, books, office supplies, multi-media items, artefacts, clothes, food and liquor.

The Dexion brand has been established in Australia since 1950 and is known throughout the world for high quality pallet racking, shelving and Compactus brand mobile storage systems. Other products include binning and drawer systems, order-fulfilment equipment and software, conveyors, raised storage areas, office cabinets and filing systems.

Dexion's smarter storage solutions provide the advantages of better use of space and more efficient goods handling. That's real value and improved profitability for its customers.

The company listed on the ASX in April 2005 with the ASX code of DEX.

CONTENTS

FINANCIAL HIGHLIGHTS

FINANCIAL PERFORMANCE ($M)	2005	2004	Change on previous year
Revenue	131.7	97.1	+36%
EBIT (earnings before interest and tax)	8.9	5.8	+53%
Profit before tax	8.5	5.1	+68%
Profit after tax	6.3	4.0	+56%
Total Assets	48.1	46.1	
Shareholders Funds	12.5	10.1	
Net (debt) / cash	(2.2)	3.4	
Earnings per share (¢)	11.6	N/A	
Dividends per share, fully franked (¢)	4.5	N/A	

COMPARISONS TO PROSPECTUS FORECAST

SALES REVENUE

+3.3%

EBIT

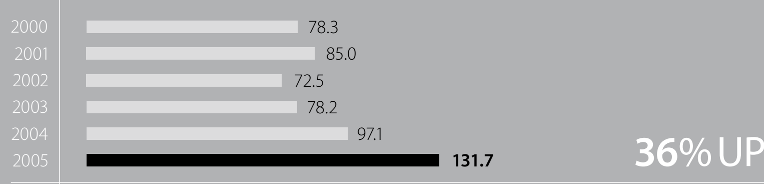
+6.6%

NET PROFIT AFTER TAX

+6.5%

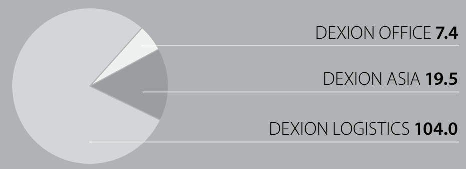
BUSINESS OVERVIEW

REVENUE ($M)

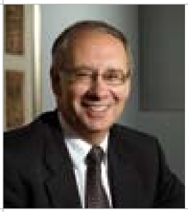


NET PROFIT ($M)

REVENUE CONTRIBUTION BY DIVISION ($M)



REPORT FROM THE CHAIRMAN AND THE MANAGING DIRECTOR



Robert Wright
CHAIRMAN

Brenton Fuller
MANAGING DIRECTOR

This is the first annual report of the company, which listed on the ASX on April 29th 2005.

We are pleased to report that we have exceeded our prospectus forecast and achieved a record profit after tax for the 2005 calendar year of $6.3 million. Sales increased by 36 % over the prior year and earnings before interest and tax rose by 53% to $8.9 million.

Net profit after tax increased by 56% to $6.3m. This result exceeded the prospectus forecast of $5.9 million.

The Directors have declared a fully franked final dividend of 3.5 cents per share in addition to the 1 cent per share interim, in line with the prospectus forecast. The total dividend for the year represents an annualised payout ratio of 58% of earnings.

The Company exceeded its prospectus target for cash flow. Net debt at year-end stood at $2.2 million, leaving the company in a good position to fund its growth strategies.

LOGISTICS INCREASES MARKET SHARE

During the year our core logistics business focused on its market with renewed vigour and a higher level of creativity. The direct sales division was renamed Dexion Logistics and was restructured on a national basis to provide more effective customer support in design, project management and after-sales service, as well as increasing its sales focus on the growth segments of the market. To build our presence in Western Australia, a new office and warehouse facility was opened at Kewdale in Perth.

< A TYPICAL DEXION STORAGE AND HANDLING SOLUTION

REPORT FROM THE CHAIRMAN AND THE MANAGING DIRECTOR CONT.

The Logistics Division successfully negotiated several major contracts to supply storage systems and equipment to companies in retailing, records management and third party logistics. One of the company's installations was recognised when United Book Distributors won the 2005 Information Management Award of the Logistics Association Australia.

Supporting the direct sales team in the logistics business area, the Dexion Supply Centre network added two new franchises, lifting the number of centres to fifteen. These centres are strategically located around Australia and provide a fast turnaround of storage solutions, products and installation service.

Overall the Logistics Division increased its market share. This was particularly evident in the success of the new Ultima shelving system. The Division is well positioned for 2006 and has commenced the year with a solid order bank.

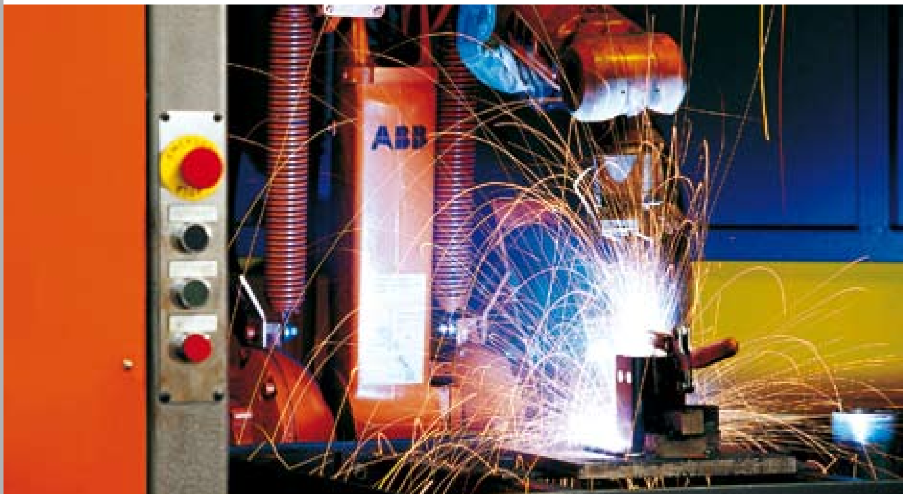
OFFICE BUSINESS RESTRUCTURED AND EXPANDED THROUGH ACQUISITION

For a number of years the company has supplied storage products such as Compactus mobile shelving to the office market. In October 2005 we formed a new division, Dexion Office, to be a national supplier of storage and filing solutions and to build a commanding position through an expanded product range and acquisitions. Dexion Office is establishing its head office and central warehousing facility at Lane Cove in Sydney. Recent customers include the National Library and corporate headquarters of Woolworths and National Australia Bank.

We took the first step to broaden Dexion Office's range of storage and filing products, and records management services, by acquiring the business of Spacemaster Office Systems Pty Limited in January 2006, a Sydney based specialist provider of office storage and filing solutions.

INVESTING FOR THE FUTURE

While extending our market penetration through expansion, the company also increased the awareness and reputation of the Dexion brand. through stronger brand management built on the founder's values of excellence in performance, integrity in relationships and innovation in application. We strive to keep the brand contemporary, innovative and energetic.



> MODERN PRODUCTION TECHNOLOGY AND AUSTRALIA'S LARGEST PRODUCTION CAPACITY MAKE DEXION THE INDUSTRY LEADER

< AUSTRALIA'S NUMBER ONE PALLET RACKING SYSTEM – KEYLOCK

We have reinvested in the capital base for improved productivity and processes. Net cash expenditure on property, plant and equipment totalled $2.1 million compared with $3.1 million the previous year. The main investments were in two manufacturing presses and an advanced Customer Relations Management system. In building the business for future growth, we look to invest in the advantages of modern production technologies for domestic manufacturing, while accessing the benefits of a world supply market.

Technical Services continued to invest in the processes essential for evaluation of new products, product modifications and additions. This enables us to carry out product testing and certification both in Australia and overseas. We record our appreciation to Aker Materials Handling in Norway and Interlake in USA for ongoing technology exchange and to our many other local and overseas partners.

The company's plant in Malaysia operated near capacity throughout the year and we are currently undertaking a strategic review of the Asia and Middle East regions to determine the next phase of expansion.

STRONG DEMAND AS INDUSTRIES FOCUS ON SUPPLY CHAIN AND OFFICE EFFICIENCIES

The outlook for 2006 is strong as we go into the year with an order bank of $68.0 million compared with $52.0 million at the close of the prior year.

Companies across many industries are continuing to improve supply chain management. Growth, cost containment and continuous improvement are top of mind. Customers are demanding more flexibility, higher efficiencies and faster paybacks to improve customer service. New storage and handling technologies will impact across the supply chain to meet these demands. They will also enhance cash flow and bottom line profitability and give competitive advantage.

Meanwhile, in the modern office the electronic information age has not eliminated the need for storage solutions, it has only changed the nature of storage demand. We will seek appropriate acquisitions of scale for growth in this market.

Our customers want us to offer specific rather than general solutions. They want us to stay at the forefront of new developments that affect their customers' businesses, to ensure that the solution gets properly implemented and to manage our relationship. Dexion is well placed to provide robust designs, greater flexibility, capability and reliability.

The service we provide customers and the excellent performance Dexion has achieved in its first year as a public company would not have been possible without the commitment of our people, to all of whom we express our sincere thanks.

Robert Wright
CHAIRMAN

Brenton Fuller
MANAGING DIRECTOR

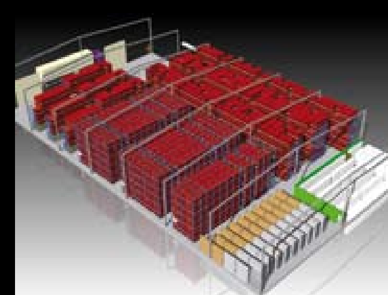
SMARTER TECHNOLOGY

Introduction of three dimension computer modelling has revolutionized Dexion's customer service and productivity.

This recently developed system has cut the time to produce component design and drawings from days to minutes. Drawings for a 20,000 to 30,000 pallet warehouse fit-out that previously took two to three days can now be done in less than 10 minutes.

The system also gives customers 3D walk-arounds of proposed installations, whether small office storerooms or large distribution centres.

The new system is part of Dexion's well established Dexion Design Program. Other functionality and features of the program have been substantially upgraded to provide a platform capable of designing and costing a project, and managing, installing and commissioning it, as well as providing detailed 3D site drawings.



DEXION LOGISTICS

Dexion Logistics is the market leader in industrial storage solutions in Australia. It partners many of the region's blue chip companies in developing storage solutions right through from raw materials to retail storage applications.

Dexion Logistics' design, installation and service of large-scale storage systems improves supply chain efficiency and lowers the per-unit cost of distribution.

Dexion's industrial products are distributed direct to major customers and also, through Dexion Supply Centres, to the rest of the Australian market.

This market sector continues to grow vigorously, due to:

- construction of new warehousing and storage facilities
- modernisation and expansion of existing facilities
- the continuing rise in imports of finished goods
- emerging supply chain technologies creating a need for more efficient storage systems, with compliance pressures driven by large retailers
- desire of businesses to drive down costs and increase profits through supply chain efficiencies and lower per unit cost of distribution.

PRODUCTS

Pallet racking, shelving, plastic storage bins, drawer systems, order-fulfilment equipment and software, conveyors and raised storage areas

LOCATIONS

Head office, manufacturing and distribution – Kings Park NSW; Project management head office and NSW State branch – North Ryde NSW; State branches – VIC, QLD, SA, WA. Dexion Supply Centres in 16 locations across Australia

2005 SALES

$104 million

COMPETITIVE STRENGTHS

- Nation-wide availability of industry specialists and professional project managers through a 'single-point-of-contact' for customers
- A team of supply chain professionals who can understand customer's visions and deliver real value
- Australian manufacturer with the largest capacity and lowest lead times
- Total range of industrial storage products and services, tested and backed by a lifetime warranty
- Complete after-sales-service and training through Dexion Lifetime Service Division
- Automated order fulfilment solutions via Dexion Integrated Systems
- Integrated account management structure through the Dexion Supply Centre Network
- Penetration of localised markets through Dexion Supply Centres, with stocks on hand to provide quicker turnaround
- Dexion Supply Centres have large showrooms that allow customers to assess products prior to ordering
- Dexion Supply Centres support a network of distributors throughout regional Australia

2005 INITIATIVES AND ACHIEVEMENTS

– Contributed to 36 per cent of 2005 sales growth
– Won major contracts with Bunnings, Coles Myer, Recall, Linfox and Sanitarium
– Restructured the Division to achieve a one team direct and distributor approach in the industrial storage market
– Developed 3D modelling and costing system – ProCreate – to speed up turnaround times for drawings and costings, with fast, high level presentations
– Moved to a vertical structure to provide better and more effective customer service in sales, design and project management
– Partnered National Logistics and Supply Chain Award Winner – United Book Distributors
– Opened WA State Branch
– Introduced a Customer Relationship Management system to support business growth in both sales channels. This system provides for retention of key customer information and will lower costs
– Appointed two new Dexion Supply Centres – Campbellfield (VIC) and Nepean (NSW)
– Five existing Dexion Supply Centres moved to bigger and better facilities with showrooms – Townsville (QLD), Hendra (QLD), Balcatta (WA), Citiport (VIC) and Newcastle (NSW).

"Our aim is to focus on the needs of customers from simple storage solutions to those that are technology driven. Businesses in manufacturing, distribution and warehousing want to improve supply chain efficiency and lower the per unit cost of distribution. Dexion can meet the needs for customer expansion, cost containment and continuous improvement "

Graham Eastick
EXECUTIVE GENERAL MANAGER, LOGISTICS DIVISION.

DEXION LIFETIME SERVICE

SMARTER OVER THE LONG HAUL

Dexion Lifetime Service provides key customers with 24-hour, 7-days-a-week service and support, throughout Australia.

Dexion Lifetime Service goes further than that, however. It ensures storage systems continue to operate at their optimum levels and provide customers and their staff with a safe workplace. We do this through regular six-monthly inspections, the provision of rack protection systems and safe work-load signs.

Service engineers focus on education and training as much as repairs and maintenance, because Dexion recognises that rack damage in busy warehousing and distribution facilities is a major safety issue.

Our ongoing partnering process of high level service and support helps customers to maximise up-time throughout the life of their facility. It also ensures that the satisfaction that our customers experience with a new facility does not diminish over the years.

DEXION OFFICE

Dexion has supplied products such as mobile shelving to the office market for many years. In 2005 the company formed Dexion Office to concentrate on building a commanding presence in this growing sector by marketing an expanded product range and by acquisition. Recent customers include government organisations such as the National Library and the corporate headquarters of Woolworths and National Australia Bank.

The filing and storage equipment market has three main product categories: static and mobile shelving, cabinets and lockers, and filing systems. The market is expanding, aided by GDP growth, office and public building construction, as well as businesses seeking to reduce costs through the better use of office space. Added to this is greater interest in our cultural heritage and the associated safe storage of artefacts and documents in museums, galleries and libraries.

PRODUCTS

Static, mobile and library shelving, cabinets, lockers, storage walls, file covers and labels – backed by Dexion services: consulting, file conversion and labelling, project management, relocations and after-sales-service. Brands: Dexion Office, Compactus, StorWall, Kolor-Kode, Ultima.

LOCATIONS

Head office, NSW state branch and distribution – Lane Cove NSW; state branches – VIC, QLD, SA, WA; Dexion Supply Centres in 16 locations across Australia.

2005 SALES

$7.4 million

COMPETITIVE STRENGTHS

- Full range of Australian-made and internationally sourced products allow customised solutions in the filing and storage equipment market (museums, galleries, medical services and hospitality venues)
- Well-known brands recognised for their quality and versatility include Compactus (mobile shelving) and Ultima (static shelving)
- Specialist sales and service channels that understand the needs of corporations, government and small to medium size enterprises.

> DEXION'S VERSATILE ROTARY FILING CABINET

< FREETRACK COMPACTUS

2005 INITIATIVES AND ACHIEVEMENTS

- A new Division formed in October 2005
- Acquired Spacemaster Office Systems in January 2006 to form the nucleus of the new Dexion Office
- Earmarked potential acquisitions to accelerate growth
- Appointed as a supplier to the NSW Government – Office Furniture Contract

"Our aim is to provide the most advanced and creative filing and storage solutions.

We recognise that the storage needs of commercial organisations are gradually changing. For instance, large corporations, libraries, museums, galleries and other organisations are adding DVD, CD and video storage to the office supplies, files, newspapers, magazines, artwork, museum items and documents that they have always stored.

As a new entity, Dexion Office is ideally placed to meet this evolving demand."

Martyn Isbell
EXECUTIVE GENERAL MANAGER, OFFICE DIVISION

^ SATELLITE STORAGE AND FILING CABINETS

AUSTRALIAN DESIGNMARK
Freetrack MEKdrive Compactus System
Standards Australia

^ AWARD-WINNING MEKDRIVE COMPACTUS

DEXION ASIA

Dexion Asia Sdn. Bhd. operates in two distinct regions – Asia and the Middle East. Its well-established manufacturing plant in Malaysia supplies its customers with industrial and office filing and storage equipment through a direct sales team and an extensive distributor network.

The 5,200 square metre manufacturing plant is operating at near capacity and Dexion is currently examining the best way to meet the huge growth potential in both regions, where the Dexion brand is already well known.

PRODUCTS

Pallet racking, order-fulfilment equipment, conveyors, raised storage areas, static, mobile and library shelving, cabinets and lockers.

LOCATIONS

Factory in Port Klang; sales and support office in Shah Alam, both close to Malaysia's capital, Kuala Lumpur. Dexion-owned sales offices in Singapore and Hong Kong; the rest of the Asia and Middle East regions are covered by a comprehensive distributor network.

2005 SALES

$19.5 million

COMPETITIVE STRENGTHS

- Local manufacturing, design and sales expertise, backed by the large Dexion operation in Australia
- Extensive distributor network representing Dexion in 20 locations
- Strong focus on customer service

2005 INITIATIVES AND ACHIEVEMENTS

- Increased sales by 8% year-on-year with several large orders from customers such as Dubai International Airport, Freight Mark Logistics and Recall in Malaysia, Gulf Agency, Sammim, and Gulf Warehousing Company in the Middle East as well as Nestle, the Swire Group, and Unilever in Asia
- Continued strong sales growth in the Middle East
- Introduced a 'Smarter Thinking' marketing campaign to reinforce the benefits of working with the Dexion Asia team

" Our customers are increasingly recognising how Dexion's global associations add real value.

They also welcome the fact that Dexion products meet international standards in both design and installation. Equally, customers respect what the Dexion brand stands for – integrity, innovation and performance.

So Dexion has definite advantages in Asia and the Middle East, where there is increasing demand for logistics infrastructure to help manage burgeoning economic development. "

Frank Johnstone
MANAGING DIRECTOR, DEXION ASIA

THE VALUE BEHIND THE DEXION BRAND

Dexion is a sales and marketing company that manufactures; not a manufacturing company that markets. This philosophy drives the way the company does things. It dictates a strong customer-centric focus throughout Dexion.

Dexion's goal to deliver real value to customers through better service and smarter solutions has been behind the company's success from the very beginning. Dexion's greatest asset is customer loyalty because, in return, it achieves long-term profitability through the creation of lasting relationships and repeat business.

This fundamental approach has invested the Dexion brand with significant value, giving the company a decided market advantage.

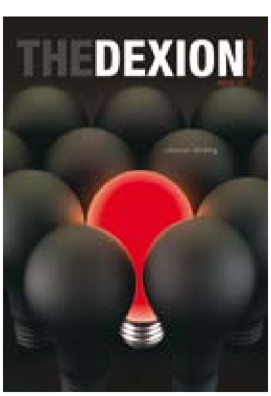
INVIGORATING THE BRAND

To reinforce the brand and to retain the company's strong market position Dexion invests significantly in marketing.

The brand's reputation is also supported with customised training of its people, the latest design tools, active research and development, rigorous product testing, after-sales service, and lifetime warranty.

" The theme of all our marketing – 'Smarter Thinking' – is embraced at all levels of the organisation. We understand that we need to think smart, be smarter in the way we work with our customers, smarter in the solutions we provide and strategically smart to stay ahead of the competition."

Andrew Angus
EXECUTIVE GENERAL MANAGER, MARKETING



^ THE DEXION MAGAZINE AND TELEVISION ADVERTISING ARE PART OF THE COMPANY'S INVESTMENT TO MAINTAIN MARKET AWARENESS AND THE REPUTATION OF ITS BRAND.

AWARD

Dexion's installation at United Book Distributors' new distribution centre in Victoria (pictured below) received the 2005 National Logistics and Supply Chain Awards – Information Management Award. The project was chosen for its innovative materials handling design, combined with smart information infrastructure.

" Our principal supplier Dexion has been intelligent with design and surefooted in delivering a functional and flexible solution that has the capability and capacity to meet our demands now and in the future as we continue to change and expand. Improved service levels and productivity can be readily attributed to their understanding of our business and the tailoring of a solution which they then effectively implemented, tested and delivered."

Sebastian Parkes
– OPERATIONS DIRECTOR
– UNITED BOOK DISTRIBUTORS
(A DIVISION OF PEARSON AUSTRALIA GROUP)

WINNER
NATIONAL LOGISTICS & SUPPLY CHAIN AWARDS 2005

MANAGEMENT TEAM

Andrew Angus Graham Eastick Martyn Isbell



ANDREW ANGUS

Executive General Manager, Marketing

Joined Dexion in 1987

Previous roles include 11 years with Wormald in sales and sales management. Andrew has held senior sales and marketing positions in Dexion's filing and storage business and distributor network.

Assoc. Diploma in Marketing – Chisholm Institute of Technology

Age 48

GRAHAM EASTICK

Executive General Manager, Logistics Division

Joined Dexion 2002

Previous roles include four years with Angas Engineering in sales and engineering and three years as a National Sales Manager with the Pradella Group.

Bachelor of Commerce – Flinders University, South Australia

Age 33

MARTYN ISBELL

Executive General Manager, Office Division

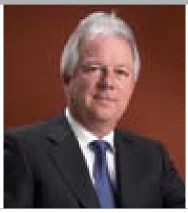
Joined Dexion 1973

Previous roles: senior sales and marketing positions within Dexion, both in Australia and Asia. Formerly Managing Director of Dexion Integrated Systems. He was with Dexion Group Limited in the UK for 11 years before transferring to Australia.

Higher National Certificate in Civil Engineering and a Certified Diploma in Accounting & Finance from the UK

Age 50

Frank Johnstone Jeff Laidlaw Seamus Redmond



FRANK JOHNSTONE

Managing Director, Dexion Asia

Joined Dexion in 1978

Experience includes product engineering with the Phillips Group (UK) and six years with Saudi Arabian Markets as General Manager. Before transferring to Asia he was Regional Director of the Middle East operations of the global group of which Dexion was part.

Higher National Certificate in Mechanical Engineering from the UK

Age 56

JEFF LAIDLAW

Executive General Manager, Operations

Joined Dexion in 2001

Previously 15 years with the Arnott's Group in senior management positions across finance, administration, manufacturing and logistics.

Master of Business Administration – Deakin University

Age 57

SEAMUS REDMOND

Executive General Manager, Technical Services

Joined Dexion in 1998

Previous roles included Managing Director of Logan Glidepath and senior management positions in the storage and handling industry.

New Zealand Certificate of Engineering (Mechanical) – Auckland Institute of Technology

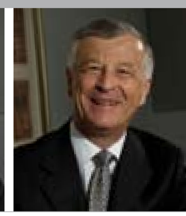
Age 51

< AUSTRALIAN NATIONAL LIBRARY INSTALLATION

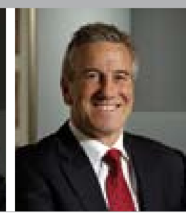
DIRECTORS' REPORT

Robert Wright

Brenton Fuller



Trefor Clayton



Graham Spurling

The directors present their report together with the financial report of Dexion Limited (the Company) and of the consolidated entity, being the Company and its controlled entities, for the year ended 31 December 2005 and the auditor's report thereon.

DIRECTORS

The directors of the Company at any time during or since the end of the financial year are:

ROBERT WRIGHT

Chairman – Appointed Director and Chairman on 18 March 2005

Independent Non-Executive Director

Chairman of the Board Nomination and Remuneration Committee

Member of the Audit and Risk Compliance Committee

Bachelor of Commerce University of Canterbury

FCPA

Age 57

Experience

Robert Wright has over 30 years' financial management experience, having held a number of Chief Financial Officer positions, including Finance Director of David Jones Limited. He is currently a Director of Australian Pipeline Limited, SAI Global Limited, Super Cheap Auto Group Limited and the reconstructed Harris Scarfe Australia Pty Limited.

BRENTON FULLER

Appointed Director on 30 June 2003

Managing Director

Member of the Audit and Risk Compliance Committee

Member of the Board Nomination and Remuneration Committee

Master of Business Administration – University of New England

Age 62

Experience

Brenton Fuller joined Dexion (Australia) Pty Limited in 1966 and was appointed Chief Executive in 1976 having previously held management positions in finance, sales and marketing with the company. He has guided Dexion and its culture through periods of considerable change and corporate activity with three different parent entities during his tenure. He was an Executive Officer of Interlake Inc USA, a Group Director of Constructor Dexion UK and a non-executive director of Unistat.

TREFOR CLAYTON

Appointed Director on 12 August 2003

Company Secretary

Finance Director

B.A. Business Studies (hons) Manchester Polytechnic

FCPA

Age 53

Experience

Trefor Clayton joined Dexion (Australia) Pty Limited in 2000 as Finance Director having previously worked in corporate banking and finance. He spent 12 years with Banque Nationale de Paris prior to joining Burns Philp & Co for seven years where he worked in Head Office and also as General Manager Finance for the Shipping Division.

GRAHAM SPURLING

Appointed Director on 19 February 2004

Independent Non-Executive Director

Chairman of the Audit and Risk Compliance Committee

Member of the Remuneration and Nomination Committee

Bachelor of Technology Graduate in Mechanical Engineering – Adelaide University

F.I.E.

Age 68

Experience

Graham Spurling's previous executive appointments include: Managing Director of Mitsubishi Motors Australia, President and CEO of GNB Technologies (USA), and Non Executive directorships with various public and private companies.

He is currently a Director of Air International, Intercast and Forge, Medvet Inc and Advance Energy Systems.

DIRECTORS' REPORT

CONTINUED

ANDREW SAVAGE

Appointed Director on 12 August 2003
(Resigned 17 March 2005)

Non-Executive Director

Bachelor of Commerce – University of Queensland

Associate of the Australian Institute of Chartered Accountants and the Securities Institute of Australia

Age 38

Experience

Andrew Savage has enjoyed more than 13 years of private equity and corporate advisory experience.

He is a Director of CHAMP Ventures portfolio companies including: Intercast & Forge Pty Limited, Video Ezy Australasia Pty Limited and Minelab Electronics Pty Limited. He is also a member of the Advisory Board of the University of Sydney Institute of Biomedical Research.

SU-MING WONG

Appointed Director on 30 June 2003
(Resigned 17 March 2005)

Non-Executive Director

Master of Engineering
– University of Canterbury, New Zealand

Master of Business Administration
– Australian Graduate School of Management

Age 52

Experience

Su-Ming Wong is an investment professional with over 19 years of direct investment, international corporate advisory and merchant banking experience. He is a Director of several portfolio companies of CHAMP Ventures including: Intercast & Forge Pty Limited, Tarocash Enterprises Pty Limited and Nudie Foods Pty Limited.

He is also a Director of AMWIN Management Pty Limited, National ICT Australia, and the Venture Capital Board of South Australia.

DIRECTORS' MEETINGS

The number of directors' meetings (including meetings of committees of directors) and number of meetings attended by each of the directors of the Company during the financial year are:

	Board Meetings		Audit & Risk Compliance Committee Meetings		Board Nomination & Remuneration Committee Meetings	
	A	B	A	B	A	B
Robert Wright	11	11	2	2	1	1
Brenton Fuller	15	15	2	2	1	1
Su-Ming Wong	4	4	–	–	–	–
Trefor Clayton	15	15	–	–	–	1
Andrew Savage	2	4	–	–	–	–
Graham Spurling	12	15	2	2	1	1

A – Number of meetings attended
B – Number of meetings held during the time the director held office during the year

PRINCIPAL ACTIVITIES

The principal activities of the consolidated entity during the course of the financial year were that of the manufacture and distribution of industrial storage equipment, integrated systems and office storage and filing solutions.

There were no significant changes in the nature of the activities of the consolidated entity during the year.

OPERATING AND FINANCIAL REVIEW

In the 12 months to 31 December 2005, the consolidated entity produced an operating profit after income tax of $6,264,000.

The main influences on the results in 2005 compared with 2004 were:

- Sales increased by 36% over the prior similar period. Sales improved as a result of:
  - A higher level of direct project sales Australia
  - Continued strong demand in Asia and the Middle East
  - Increased selling prices
- The direct sales in Australia benefited from expenditures by various industry segments particularly third party distribution and records management.
- Overheads increased as the Company continued to strengthen its design and selling resources.
- The period commenced with an exceptionally low level of working capital as a result of receipt of advance payments on major projects. Net cash provided by operating activities was low due to the increase in working capital of $7.5m during the period. Working capital is now at a more normal level and improvements in operating cash flow are anticipated.

DIRECTORS' REPORT

CONTINUED

DIVIDENDS

Dividends paid or declared by the Company to members since the end of the previous financial year were:

	Cents per share	Total amount $000's	Franked / unfranked	Date of payment
Declared and paid during the year 2005				
Special 2005	13.4	6,500	Partial [1]	4 Apr '05
Interim 2005	1.0	541	Franked	19 Sep '05
		7,041		

[1] The dividend payment of $6,500,000 was franked to the value of $1,746,428.

Franked dividends declared as paid during the year were franked at the rate of 30%.

Declared after end of year:

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

	Cents per share	Total amount $000's	Franked / unfranked	Date of payment
Final 2005	3.5	1,892	Franked	21 Mar '06

The financial effect of these dividends have not been brought to account in the financial statements for the year ended 31 December 2005 and will be recognised in subsequent financial reports.

REMUNERATION REPORT

The Remuneration Report outlines the policies and procedures of the Board of Dexion Limited and complies with the required disclosure about the remuneration of executive and non-executive directors to ensure market transparency and accountability to our shareholders.

The information in this report assists investors to understand:

– The benefits and costs of the Company's remuneration policies
– The link between the Company's performance and the performance of directors and executives
– Remuneration details for specified Company directors and executives in this financial year

REMUNERATION POLICY

The Company's Board Nomination and Remuneration Committee provides an efficient mechanism for determining remuneration policy whilst enabling the Board to focus on making informed decisions about its framework implementation, in keeping with ASX Corporate Governance Council's Best Practice Recommendation 9.2.

The Company's Board Nomination and Remuneration Committee is Chaired by Mr Robert Wright and operates under delegated authority of the Board. Its Charter is available on the Dexion website *www.dexion.com.au*. The Committee has met twice since listing on the ASX on 29 April 2005 and the date of this report. The Committee consults with Hay Group who are independent, professional consultants for market information and advice about remuneration to meet its policy objectives to ensure that remuneration policy is balanced and independent.

The Committee aims to assist and advise the Company to develop policies which provide the best value for shareholders by:

- Ensuring that remuneration supports undertakings in the Company's Board Nomination and Remuneration Committee Charter
- Undertaking regular review of remuneration practices to ensure comparability to those offered to directors and executives of similar companies
- Offering competitive remuneration incentives to attract, motivate and retain the most effective and productive directors and executives
- Linking fair and responsible remuneration between individual and company performance
- Ensuring a correlation between executive bonus rewards and value for shareholders

EXECUTIVE DIRECTORS' & SENIOR EXECUTIVE REMUNERATION

As a listed company, Dexion Limited is required to disclose the remuneration details of each of its directors and the five most highly paid executives with the greatest authority for managing the strategic direction and operational management of the Company.

The following directors and executives have been identified under the requirements for remuneration disclosure for shareholders.

Directors	Position
Robert Wright (appointed 18.3.05)	Non-Executive Chairman
Graham Spurling	Non-Executive Director
Brenton Fuller	Managing Director
Trefor Clayton	Finance Director/ Company Secretary
Su-Ming Wong (Resigned 17.3.05)	Non-Executive Director
Andrew Savage (Resigned 17.3.05)	Non-Executive Director

Executives	Position
Andrew Angus	Executive General Manager, Marketing
Graham Eastick	Executive General Manager, Logistics Division
Martyn Isbell	Executive General Manager, Office Division 11/05 – Present Executive General Manager, Distribution Network 03/05 – 11/05
Frank Johnstone	Managing Director, Asia/Middle East
Jeff Laidlaw	Executive General Manager, Operations (Kings Park)

REMUNERATION COMPONENTS

The Company recognises the importance of providing balanced remuneration packages which take account of the Company's short and longer term circumstances and plans. To this extent, as a recently listed entity, the Company plans to implement an equity-based remuneration component which will complement existing remuneration components which currently include:

- Fixed fees or salary
- Short term incentive bonuses (STI)

DIRECTORS' REPORT

CONTINUED

REMUNERATION REPORT CONTINUED

FIXED REMUNERATION

Fixed remuneration consists of base salaries paid to executives and fees paid to non-executive directors. Base salaries are calculated on a total cost to the Company basis and includes company superannuation contributions and benefits (such as a motor vehicle), including fringe benefits tax.

NON-EXECUTIVE DIRECTORS

The fees paid to non-executive directors are periodically reviewed by the Board Nomination and Remuneration Committee. Advice may be sought from external advisors to determine appropriate fixed fees with reference to allocations made to non-executive directors in similar organisations and commensurate with the amount of time which each non-executive director allocates to company matters. The fees paid to non-executives are within a maximum aggregated limit for which shareholder approval will be sought for any incremental changes at the Company's Annual General Meetings.

Non-executive directors' fees are set by the Board. The Board Nomination and Remuneration Committee is responsible for reviewing non-executive directors' fees. The Committee makes recommendations to the Board, taking into account:

- the Company's remuneration policy
- the time necessary to effectively discharge responsibilities and reviewing the other commitments of the non-executive directors which impact upon this
- the level of remuneration necessary to attract and retain directors of a suitable calibre
- independent professional advice

Non-executive directors are reimbursed for the cost of travel, accommodation and other expenses incurred on company business and are entitled to superannuation in accordance with statutory requirements.

EXECUTIVES

The Company consults an external advisor to assist it in setting fixed remuneration structures that represent a benchmark for executive salaries in comparable organisations. The broad objective is to ensure that the fixed remuneration is pitched at median market rates.

The fixed primary benefits paid to executives include salary, bonuses, superannuation and non-monetary benefits such as motor vehicles.

AT-RISK REMUNERATION – SHORT TERM INCENTIVES (STI)

The STI program involves linking specific annual performance measures with the opportunity to earn cash rewards as a percentage of fixed remuneration. The STI Plan is specifically designed to reward executives for the successful achievement of Business Unit and/or Company performance measures over the financial year.

STI performance measures for the Managing Director and the executives reporting directly to him are determined annually by the Board to reflect the strategic business objectives of the Company. The particular STI performance objectives which an individual executive will be expected to achieve as part of his at-risk remuneration will vary according to his role and responsibilities within the organisation. This information is outlined in relation to the information provided on specified executives, below. Broadly, the STI Plan is based on indicators such as quantifiable financial goals set by the Board of Directors linked to Company profit and cash flow.

PERFORMANCE MEASURES UNDER THE STI

The STI performance measures have been selected to provide a financial incentive to executives to improve the Company's performance and its productivity. The performance measures are based on the achievement of:

- Earnings Before Interest and Tax (EBIT Actual) v Plan; and
- Operating Cash Flow Actual v Plan

Financial measures are based on the Company's financial results for the full financial year. The achievement of STI performance measures is assessed and determined by the Board. Bonuses are paid as a portion of total remuneration as at the end of the financial year.

STI CONDITIONS

The conditions of the STI program are:

- Performance criteria are based on the audited statutory accounts of the Company for the full financial year
- STI payments range from 30% to a maximum of 50% of total remuneration on attainment of 120% of the Plan for EBITDA and Operating Cashflow. Pro rata STI payments do not apply in the event that Plan EBITDA or Operating Cashflow is exceeded by more than 20%
- Should actual EBITDA/Operating Cashflow fall between the threshold and target performance or between target and stretch performance, STI will be paid on a pro rata basis
- The STI program is self-financed, so that the profit for the purposes of calculating the STI is measured after including the impact of the STI
- No STI payments are made to an executive who ceases to be employed by the Company before the end of the financial year
- STI payments are fully taxable

The Company and Business Unit STI performance measures contain threshold (90% of plan), target (100% of plan) and stretch objectives (120% of plan). Threshold objectives must be met for any reward to be payable.

SPECIFIC SERVICE AGREEMENTS

Service Agreements outlining the terms and conditions of employment have been entered into by the Company with executive directors and the five specified executives.

Director	Role	Contract Notice	Maximum STI % of Annual Remuneration Package (ARP)	STI Measure and Achievement
Robert Wright	Non-Executive Chairperson	N/A	N/A	N/A
Graham Spurling	Non-Executive Director	N/A	N/A	N/A
Brenton Fuller	Managing Director	12 months	Up to 50% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow.
Trefor Clayton	Finance Director/ Company Secretary	6 months	Up to 50% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow.

DIRECTORS' REPORT
CONTINUED

REMUNERATION REPORT CONTINUED

SPECIFIC SERVICE AGREEMENTS CONTINUED

Executives

The service agreements for the specified executives provide the following:

- In the event of termination of employment for any reason, the Specified Executives are prohibited from engaging in activity that would compete with the Company for a period of 12 months.
- The Specified Executives receive STI payments upon the achievement of specific performance hurdles. The STI payments will be paid to the executives within a range of 7.5% to 30%. The awarding of an STI payment is subject to achievement of quantifiable financial performance criteria such as Company/Business Unit profit and cash flow.
- Payment by the Company for common expatriate costs such a taxation advice, accommodation and return trips to the Specified Executive's home country, as well as reasonable costs for relocating back to their home country.

Executive	Role	Contract Notice	Maximum STI % of Annual Remuneration Package (ARP)	STI Measure and Achievement
Andrew Angus	Executive General Manager – Marketing	3 months	Up to 30% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow
Graham Eastick	Executive General Manager – Logistics Division	3 months	Up to 30% of ARP	Logistics Division profit and operating cashflow for Dexion Limited (Australia)
Martyn Isbell	Executive General Manager – Office Division	3 months	Up to 30% of ARP	Office Division profit and operating cashflow for Dexion Limited (Australia)
Jeff Laidlaw	Executive General Manager – Operations, (Kings Park)	6 months	Up to 30% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow
Frank Johnstone	Managing Director – Asia/Middle East	12 months	Up to 30% of ARP	Profit and Operating Cash Flow for Dexion Asia

REMUNERATION FOR 2005 AND 2004 FINANCIAL YEARS

Details of the remuneration paid to Directors and Specified Executives during the financial years are set out in the following table:

	Year	Primary: Salary $	Primary: Fees $ (1)	Primary: STI $ (2)	Primary: Non-monetary benefits $	Post employment: Super-annuation benefits	Other compensation: Termination benefits (3)	Other compensation: Other benefits (4)	Total (5)
Directors									
Robert Wright	2005	–	70,962	–	–	6,387	–	–	77,349
(Non-Executive Chairman)	2004	–	–	–	–	–	–	–	–
Graham Spurling	2005	–	48,750	–	–	3,713	–	105,000	157,463
(Non-Executive Director)	2004	–	25,063	–	–	–	–	–	25,063
Brenton Fuller	2005	278,949	5,000	183,725	69,471	34,887	–	173,000	745,032
(Managing Director)	2004	246,665	3,000	172,756	59,413	48,020	–	–	529,854
Trefor Clayton									
(Finance Director/	2005	209,611	4,167	109,545	–	15,411	–	–	338,734
Company Secretary)	2004	192,809	2,500	106,250	2,854	26,787	–	–	331,200
Specified Executives									
Andrew Angus	2005	159,589	–	46,618	23,978	18,976	–	30,000	279,161
	2004	124,871	–	38,750	26,516	14,196	–	–	204,333
Graham Eastick	2005	188,709	–	61,708	–	19,186	–	30,000	299,603
	2004	171,662	–	51,210	–	14,070	–	–	236,942
Martyn Isbell	2005	135,927	–	23,403	–	12,129	–	–	171,459
	2004	124,119	–	–	28,151	12,034	597,182	–	761,486
Jeff Laidlaw	2005	182,247	4,167	49,462	–	25,341	–	–	261,217
	2004	183,557	2,500	99,325	–	25,081	–	–	310,463
Frank Johnstone	2005	162,369	–	76,855	118,303	–	–	30,000	387,527
	2004	132,988	–	69,163	86,472	–	–	–	288,623

Notes:

(1) The payment of directors' fees to Mr Fuller, Mr Clayton and Mr Laidlaw terminated upon completion of the share buy-back and the listing of Dexion Limited on the ASX on 29 April 2005, as disclosed on page 91 of the Company's Prospectus dated 18 March 2005.

(2) STI payments are paid in the first quarter of each year after meeting STI performance measures.

(3) A one-off termination payment was made to Mr Isbell upon completion of his contractual obligations as Managing Director, Dexion Integrated Systems Pty Limited on, 20 August 2004.

(4) A range of one-off bonus payments were made in the 2005 financial year, pursuant to terms and conditions of the share-buy back as disclosed to shareholders on page 91 of the Company's Prospectus. One-off bonus payments were made to Mr Fuller, Mr Spurling, Mr Angus, Mr Eastick and Mr Johnstone at this time. The total bonus payments made were fully reimbursed to the Company by existing shareholders, prior to the Company's listing.

(5) One-off bonus payments have been included in calculations of total remuneration.

(6) Mr Wong and Mr Savage did not receive a remuneration payment during the period.

DIRECTORS' REPORT

CONTINUED

REMUNERATION REPORT CONTINUED

NON- EXECUTIVE DIRECTORS, EXECUTIVE DIRECTORS AND SPECIFIED EXECUTIVES SHAREHOLDINGS

The table below indicates the number of ordinary shares held by each specified director and executive in the Company as at April 2005 and includes their personally-related entities. Shares were purchased on market and no shares were granted as a component of remuneration during this reporting period.

Name	Balance at April 2005	Other changes during the year	Balance at the end of the year
Non-Executive Directors			
Robert Wright	20,000	0	20,000
Graham Spurling	30,000	0	30,000
Executive Directors			
Brenton Fuller	1,504,394	0	1,504,394
Trefor Clayton	1,253,663	0	1,253,663
Specified Executives			
Andrew Angus	18,000	0	18,000
Graham Eastick	0	0	0
Martyn Isbell	10,000	0	10,000
Frank Johnstone	15,000	0	15,000
Jeff Laidlaw	1,253,663	0	1,253,663

Notes:

(1) Mr Wright's securities are indirectly held by R&C Wright Super P/L Fund
(2) Mr Spurling's securities are indirectly held by Fairfield Developments Pty Ltd S/Fund a/c
(3) Mr Fuller's securities are indirectly held by BS Fuller Pty Limited as trustee for BS Fuller Superannuation Fund
(4) Mr Clayton's securities are held by the Carthona Superannuation Fund
(5) Mr Laidlaw's securities are held by the Dialark Superannuation Fund
(6) Mr Angus' securities are jointly held with Annette Angus
(7) Mr Isbell's securities are indirectly held by Jan Isbell
(8) Mr Johnstone's securities are jointly held with Paula Johnstone

STATE OF AFFAIRS

In the opinion of the Directors there were no other significant changes in the state of affairs of the consolidated entity that occurred during the financial year under review.

EVENTS SUBSEQUENT TO REPORTING DATE

On 3 January 2006, Dexion (Australia) Pty Limited acquired the net assets of Spacemaster Office Systems Pty Limited, a provider of office filing and storage products and solutions. The total purchase consideration is subject to finalisation of completion accounts and is approximately $1,200,000 and was comprised of goodwill of $1,000,000 and capital employed of $200,000. The effect of this transaction has not been brought to account at 31 December 2005.

In the interval between the end of the financial year and the date of this report there were no other items, transactions or events of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

INDEMNIFICATION AND INSURANCE OF OFFICERS AND AUDITORS

To the extent permitted by law the Company indemnifies its Directors, officers and auditors against all liabilities to other persons except were the liability arises out of conduct involving lack of good faith.

In accordance with a policy of insurance provided by the ultimate controlling entity, Directors' and Officers' insurance cover is provided for all directors and officers of the Company. This insurance covers all liabilities of the directors and officers to the extent permitted by the *Corporations Act 2001*. The contract of insurance prohibits disclosure of the nature of the liabilities and the amount of the premiums.

NON-AUDIT SERVICES

During the year KPMG, the Company's auditor, has performed certain other services in addition to their statutory duties.

The Board has considered the non-audit services provided during the year by the auditor and in accordance with written advice provided by resolution of the Audit and Risk Compliance Committee, is satisfied that the provision of those non-audit services during the year by the auditor is compatible with, and did not compromise, the auditor independence requirement of the *Corporations Act 2001* for the following reasons:

– all non-audit services were subject to the corporate governance procedures adopted by the Company and have been reviewed by the Audit and Risk Compliance Committee to ensure they do not impact the integrity and objectivity of the auditor; and
– the non-audit services provided do not undermine the general principles relating to auditor independence as set out in Professional Statement F1 *Professional independence*, as they did not involve reviewing or auditing the auditor's own work, acting in a management or decision making capacity for the Company, acting as an advocate for the Company or jointly sharing risks and rewards.

DIRECTORS' REPORT

CONTINUED

NON-AUDIT SERVICES CONTINUED

Details of the amounts paid to the auditor of the Company, KPMG, and its related practices for audit and non-audit services provided during the year are set out below. In addition, amounts paid to other auditors for the statutory audit have been disclosed:

	Consolidated 2005 $	Consolidated 2004 $
Audit services:		
Auditors of the Company		
audit and review of financial reports (KPMG Australia)	**125,000**	64,000
Other auditors		
audit and review of financial reports (non KPMG firms)	**18,070**	14,903
	143,070	78,903
Other assurance services		
IFRS accounting services (KPMG Australia)	**35,000**	–
Financial advisory services	**–**	75,000
Other assurance services	**26,030**	–
Other services		
Taxation compliance services (KPMG Australia)	**21,164**	30,804
Due diligence services (KPMG related practices)	**321,800**	–
	403,994	105,804

LIKELY DEVELOPMENTS

The consolidated entity will continue to pursue its policy of increasing its profitability and market share of its major business sectors during the next financial year.

Further information about likely developments in the operations of the consolidated entity and the expected results of those operations in future financial years, other than as discussed in the Director's Report, has not been included in this report because disclosure of the information would be likely to result in unreasonable prejudice to the consolidated entity.

ENVIRONMENTAL REGULATION

The consolidated entity's operations are subject to various environmental regulations under both Commonwealth and State legislation. The Board believes that the consolidated entity has adequate systems in place for the management of its environmental requirements and is not aware of any breach of those environmental requirements as they apply to the consolidated entity.

As at the date of this report the Board is not aware of any circumstances which would have a material impact on the Company.

During an inspection of the factory operations in the second quarter the Company identified a minor incident which has now been rectified. This incident had no material impact on the Company.

LEAD AUDITOR'S INDEPENDENCE DECLARATION

The lead auditor's declaration is set out on page 40 and forms part of the Directors' report for the financial year ended 31 December 2005.

ROUNDING OFF

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:

Mr R Wright
Chairman

Mr B S Fuller
Director

Dated at Kings Park this 21st day of February 2006

CORPORATE GOVERNANCE

INTRODUCTION

The Board of Dexion supports the ASX Corporate Governance Council's principles of good corporate governance and has established a corporate governance framework to improve the Company's performance and enhance corporate responsibility. This section of the report details key features of the way in which the Company is directed and managed.

Since listing on the ASX in April 2005, the Company has sought to identify ways to refine its existing governance practices. The ASX Corporate Governance Council's 'Principles of Good Corporate Governance and Best Practice Recommendations' provide a reference point for developing effective systems to maintain and promote investor confidence. Governance practices are not static and as our size and structure changes, these practices will evolve and adapt to meet our changing circumstances.

The Board carries out its responsibilities within a framework of corporate governance policies and practice documents which outlines the measures that we have chartered to act ethically, openly, fairly and diligently when promoting the interests of shareholders, employees, clients and broader community interests. The Board and senior management ensure that employees are aware of the requirements for corporate compliance as it applies to their role within the organisation and are involved in ongoing training and development in their duties, rights and responsibilities.

Dexion Limited's business is continually evolving. With this in mind, we believe it is important to explain to shareholders if and why, at this time, a best practice recommendation has not been implemented. This is in keeping with the recommended "if not, why not?" approach to governance, in accordance with ASX Listing Rule 4.10.3.

A detailed overview of Dexion Limited's key corporate governance practices follows. It covers the period since the Company's listing on 29 April 2005 and includes practices followed during the financial year, except where otherwise stated. Further information about Dexion Limited's Corporate Governance policies and practices is available at the Investor Centre on its website at *www.dexion.com.au*.

ASX Corporate Governance Council's Best Practice Recommendations		Dexion's Compliance
Principle 1: Lay solid foundations for management and oversight		
1.1	Formalise and disclose the functions reserved to the Board and those delegated to management.	1.1: Comply
Principle 2: Structure the Board to add value		
2.1	A majority of the Board should be independent directors.	2.1: Do not Comply Explained below
2.2	The chairperson should be an independent director.	2.2: Comply
2.3	The roles of the chairperson and chief executive officer (or equivalent) should not be exercised by the same individual.	2.3: Comply
2.4	The Board should establish a Nomination Committee.	2.4: Comply
2.5	Provide information indicated in *Guide to reporting on Principle 2* (including certain disclosure on company website).	2.5: Comply
Principle 3: Promote ethical and responsible decision-making		
3.1	Establish a code of conduct to guide the directors, the chief executive officer (or equivalent), the chief financial officer (or equivalent) and any other key executives as to: 3.1.1 the practices necessary to maintain confidence in the Company's integrity 3.1.2 the responsibility and accountability of individuals for reporting and investigating reports of unethical practices	3.1: Comply
3.2	Disclose the policy concerning trading in company securities by directors, officers and employees.	3.2: Comply
3.3	Provide the information indicated in *Guide to reporting on Principle 3*.	3.3: Comply
Principle 4: Safeguard integrity in financial reporting		
4.1	Require the chief executive officer (or equivalent) and the chief financial officer (or equivalent) to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.	4.1: Comply
4.2	The Board should establish an audit committee.	4.2: Comply
4.3	Structure the audit committee so that it consists of: – only non-executive directors – a majority of independent directors – an independent chairperson, who is not chairperson of the Board – at least three members	4.3: Comply
4.4	The audit committee should have a formal Charter.	4.4: Comply

CORPORATE GOVERNANCE

CONTINUED

ASX Corporate Governance Council's Best Practice Recommendations continued		Dexion's Compliance
4.5	Provide the information indicated in *Guide to reporting on Principle 4*.	4.5: Comply
Principle 5: Make timely and balanced disclosure		
5.1	Establish written policies and procedures designed to ensure compliance with ASX Listing Rule disclosure requirements and to ensure accountability at a senior management level for that compliance.	5.1: Comply
5.2	Provide the information indicated in *Guide to reporting on Principle 5*.	5.2: Comply
Principle 6: Respect the rights of shareholders		
6.1	Design and disclose a communications strategy to promote effective communication with shareholders and encourage effective participation at general meetings.	6.1: Comply
6.2	Request the external auditor to attend the annual general meeting and be available to answer shareholder questions about the conduct of the audit and the preparation and content of the auditor's report.	6.2: Comply
Principle 7: Recognise and manage risk		
7.1	The Board or appropriate Board Committee should establish policies on risk oversight and management.	7.1: Comply
7.2	The chief executive officer (or equivalent) and the chief financial officer (or equivalent) should state to the Board in writing that: 7.2.1 the statement given in accordance with best practice recommendation 4.1 (the integrity of financial statement) is founded on a sound system of risk management and internal compliance and control which implements the policies adopted by the Board. 7.2.2 the company's risk management and internal compliance and control system is operating efficiently and effectively in all material respects.	7.2.1: Comply 7.2.2: Comply
7.3	Provide the information indicated in *Guide to reporting on Principle 7.*	7.3: Comply
Principle 8: Encourage enhanced performance		
8.1	Disclose the process for performance evaluation of the Board; its committees and individual directors, and key executives.	8.1: Comply
Principle 9: Remunerate fairly and responsibly		
9.1	Provide disclosure in relation to the company's remuneration policies to enable investors to understand (i) the costs and benefits of those policies and (ii) the link between remuneration paid to directors and key executives and corporate performance.	9.1: Comply
9.2	The Board should establish a remuneration committee.	9.2: Comply

ASX Corporate Governance Council's Best Practice Recommendations continued		Dexion's Compliance
9.3	Clearly distinguish the structure of non-executive directors' remuneration from that of executives.	9.3: Comply
9.4	Ensure that payment of equity-based executive remuneration is made in accordance with thresholds set in plans approved by shareholders.	9.4: Not applicable
9.5	Provide the information indicated in *Guide to reporting on Principle 9*.	9.5: Comply
Principle 10: Recognise the legitimate interests of stakeholders		
10.1	Establish and disclose a code of conduct to guide compliance with legal and other obligations to legitimate stakeholders.	10.1: Comply

CORPORATE GOVERNANCE STATEMENT

PRINCIPLE 1: LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

Recognise and publish the respective roles and responsibilities of board and management

Dexion's corporate governance framework is designed to:

- Enable the Board to provide strategic guidance for the Company and effective oversight of management,
- Clarify the respective roles and responsibilities of board members and senior executives in order to facilitate board and management accountability to both the Company and shareholders, and
- Ensure a balance of authority so that no single individual has unfettered powers.

Dexion has adopted a Board Charter, which forms part of the Corporate Governance Policies adopted by the Board on 19 April 2005. These Policies are available at the Investor Centre on the Company's website *www.dexion.com.au*.

The Board Charter confirms the Board's overriding responsibility to act honestly, fairly, diligently and in accordance with the law in the interests of Dexion's shareholders, employees, customers and the community. The Charter also outlines the role, powers and responsibilities reserved by the Board, including:

- Contributing to approving the Company's goals and strategic direction and monitoring the implementation of those goals and strategies
- Monitoring the Company's financial performance and capital expenditure and management acquisitions and divestitures
- Ensuring the adequate monitoring of internal compliance systems
- Appointing and removing the Managing Director, ratifying the appointment or removal of the Finance Director and Company Secretary and reviewing the performance of senior management
- Identifying and managing significant business risks including the annual review of risk management systems
- Reviewing and ratifying codes of conduct and legal compliance; and
- Continuously disclosing information to shareholders, the ASX and ASIC

CORPORATE GOVERNANCE

CONTINUED

The Company recognises the importance of clearly separating the functions of the Board from those of management. The Chairman of the Board is an independent non-executive director and the roles of the Chairman and Managing Director are clearly separated. The Chairman is responsible for Board leadership, effectively organising and efficiently facilitating board meeting discussions. The Chairman ensures that procedures are in place to evaluate board performance and oversees Shareholder communications. The Managing Director is responsible to the Board and oversees the overall strategy, development and performance of the Company and the day to day management of its activities, keeping the Board informed of any matters of a material nature which may effect the Company's operations.

The Board's composition and the balance of responsibilities held by each Board member are subject to annual review to ensure that the Board's function remains the most productive and appropriate mix of skills and experience to meet the Company's needs.

PRINCIPLE 2: STRUCTURE THE BOARD TO ADD VALUE

Have a board of an effective composition, size and commitment to adequately discharge its responsibilities and duties

The Board Charter outlines the characteristics of independent directors and incorporates the definition of independence adopted in the ASX Corporate Governance Council Principles of Good Corporate Governance and Best Practice Recommendations.

Directors are required to disclose any material contracts or matter of substance, which will have the effect of changing their position of independence. The independence of Directors is then assessed in the light of the disclosures received. Directors withdraw from Board meeting discussions while any matters involving a potential conflict of interest are considered. Independent legal advice is sought to determine the nature of these matters, where relevant.

Mr Robert Wright and Mr Graham Spurling are considered by the Company to be independent directors. Dexion acknowledges that the Chairman's role is vital in leadership and efficient conduct of the Board and has therefore appointed an independent Director, Mr Robert Wright as Chairman and Mr Brent Fuller as Managing Director, ensuring the separation of the two roles.

Presently, Dexion's Board comprises four members of which two are independent directors. It is anticipated that as the Company's size and operations expand, the Board will consider the appointment of an additional independent director to achieve a membership composition which is fully reflective of the ASX Corporate Governance recommendation for an independent board majority.

The term of office and skills, experience and expertise held by each director in office at the date of this Annual Report may be found in the Directors' Report.

The Board has established a Board Nomination and Remuneration Committee in line with the Recommendation 2.4 of the ASX Best Practice Recommendations. Details of the members of the Committee and their attendance at meetings may be found in the Directors' Report. A copy of the Board Nomination and Remuneration Committee Charter is available at the Investor Centre on the Company's website at *www.dexion.com.au*.

Each Board member is entitled to seek independent professional advice whilst engaged in Company duties at the reasonable discretion of the Board and at the Company's expense.

PRINCIPLE 3: PROMOTE ETHICAL AND RESPONSIBLE DECISION MAKING

Actively promote ethical and responsible decision-making

Code of Conduct Charter

The Company's Code of Conduct, Share Trading Policy and Continuous Disclosure Policy form part of the Corporate Governance Policies adopted by the Board on 19 April 2005 and which are published at the Investor Centre of the Company's website at *www.dexion.com.au*.

Dexion recognises the importance of ethical and responsible decision-making and the Board has adopted a Code of Conduct for all staff and directors which outlines the standards of ethical behaviour and is essential to maintaining the trust and confidence of our stakeholders and general public. The Code of Conduct is based on the following five principles:

1. Corporate Governance Principles – acting with fairness and integrity in the Company's interests and upholding high moral and ethical standards in the Company's interests while engaging in Company activities and business
2. Regulatory and Legal Compliance – Directors and staff are expected to comply with the spirit and letter of the law and, when making decisions, are encouraged to seek advice about any potential legal issues
3. Acting Honestly and Professionally – Directors and staff must act honestly and in the best interests of the Company. Directors must separate their personal or other business dealings from their dealings as a Director of Dexion and must not use any information obtained in the course of their directorial duties for personal financial gain or for the benefit of any other person or business
4. Confidentiality of Company Information – Confidential information received by Directors and staff in the course of their duties must not be disclosed to third parties without Company authorisation, or as required by law
5. Conflicts of Interest – A director has an obligation to promptly disclose private or business interests or any other matters which may lead to a potential or actual conflict of interest or which may impair their independence.

The spirit embodied in these principles is actively promoted within the Company and all members within the organisation are encouraged to observe them.

Securities Trading Policy

The Company acknowledges that during the course of their duties, Directors and employees of the Company may become aware of inside information relating to the Company and has adopted a formal policy governing trading practices to complement existing requirements under the *Corporations Act 2001* and the ASX Listing Rules. This Share Trading Policy requires that Dexion Directors and employees must satisfy themselves that they are not in possession of any price sensitive information, which is not generally available to the public, prior to trading in the Company's securities. Price sensitive information may include information which has not been released to the market under the ASX Listing Rules such as prospective contracts or financial performance reports which are deemed price sensitive.

CORPORATE GOVERNANCE

CONTINUED

This document also outlines the procedures in place to safeguard the Company's securities trading integrity. Staff who become aware of any information which may be price sensitive, must immediately pass that information onto the Company Secretary, who consults with the Managing Director. This information will be conveyed to the Board if deemed price sensitive and the Board will ensure the Company's compliance with the ASX Listing Rules.

The Company outlines distinct policies to govern share trading by Directors and staff. The policy governing Directors and senior executives limits trading to specific trading window periods and individuals must satisfy themselves that they are not in possession of any price sensitive information that has not been released to the ASX before trading outside of the trading windows and advise the Chairman, Managing Director or Company Secretary of their intention to trade. Directors and staff are required to annually report to the Company Secretary to indicate their understanding of and compliance with these procedures.

PRINCIPLE 4: SAFEGUARD INTEGRITY IN FINANCIAL REPORTING

Have a structure to independently verify and safeguard the integrity of the company's financial reporting

The Board recognises that processes must be in place to ensure the integrity of the financial statements of the company and the independence of the external auditor and has established an Audit and Risk Compliance Committee.

The Audit and Risk Compliance Committee Charter is available at the Investor Centre of the Company's website at *www.dexion.com.au* and outlines the Committee's composition, role, function and relationship with the Company's external auditor. The Charter was adopted on 19 April 2005.

The Audit and Risk Compliance Committee consists of three directors, two of whom are independent. All Committee members are financially literate. Mr Graham Spurling is the independent Chairman of the Committee. It is anticipated that a greater separation between the composition of the Board and the Committee will occur as the Company's operations expand and the size of the Board increases.

The Committee's primary role is to:

- verify and safeguard the integrity of the Company's financial reporting and oversee the independence of the external auditors
- establish a sound system of risk oversight and management and internal control
- establish a sound system of compliance with laws and regulations, internal compliance and guidelines, policies, procedures and control systems and prescribed internal standards of behaviour

The Committee meets at least three times per year and as considered necessary to discharge its role effectively. The Company's external auditor, management representatives or any employee or officer of the Company may be invited to attend part or all of any meeting of the Committee. Minutes of the business conducted at the meetings of the Committee are recorded and distributed to Committee for review.

In relation to ensuring the financial integrity of the internal control environment and the underlying risk management system of the Company, the Managing Director and Finance Director are required to state in writing to the Board that the Company's financial reports present a true and fair view, in all material respects, of the Company's financial condition and operational results and are in accordance with relevant accounting standards.

PRINCIPLE 5: MAKE TIMELY AND BALANCED DISCLOSURE

Promote timely and balanced disclosure of all material matters concerning the company

To ensure that all investors have equal, transparent and timely access to material information concerning the Company so that they can exercise informed judgment about their investment in the Company. The Board of Dexion adopted a Continuous Disclosure Policy on 19 April 2005 as part of its range of corporate governance policies. The policy is available at the Investor Centre of the Company's website at *www.dexion.com.au*.

Material information is communicated to shareholders through a range of forums including the ASX Companies Announcement Platform and the Company's website and includes:

- Letters from the Chairman and Managing Director about key matters of interest
- Notices of changes to substantial shareholdings
- Information about changes to the Company's issued capital
- Disclosure of information about Directors' security holdings
- Statements disclosing a change to the status of a Director's independence

The Company's designated media and analyst communications contacts are the Chairman, Managing Director and Company Secretary. ASX company announcements are presented in a factual and balanced manner to keep the market fully informed. The Company Secretary ensures that the Company complies with its continuous disclosure obligations under the ASX Listing Rules. Information which a reasonable person would expect to have a material effect on the price or value of the Company's securities is immediately made available to the market in an ASX announcement.

A Continuous Disclosure Procedure has been adopted by the Company which provides a system for identifying and assessing potentially market sensitive information to determine appropriate responses in compliance with the Policy and the ASX Continuous Disclosure requirements.

PRINCIPLE 6: RESPECT THE RIGHTS OF SHAREHOLDERS

Respect the rights of shareholders and facilitate the effective exercise of those rights

Dexion aims to enhance shareholder participation through effective communication and provides ready access to balanced and understandable information about the Company via both the ASX and the Investor Centre at Company's website through which investors can access:

- Information about the Company's history and growth
- ASX disclosures to the ASX
- Annual Financial Report (if shareholders have requested a copy)
- Notices of Annual General Meeting and Explanatory Memoranda
- Half-yearly Reports
- Investor presentation information
- Media releases
- 2006 Financial Calendar
- Corporate Governance Policies

Dexion regards general meetings as an opportunity for shareholders to engage with the Board and become more familiar with the Company's strategic direction and corporate goals. The external auditor attends the Company's Annual General Meeting to answer queries from shareholders regarding the conduct of the audit and the preparation and content of the Audit Report. Shareholders have the opportunity to submit questions for the auditor prior to the Meeting and they are also encouraged to ask questions of the Board about the items of business at the Annual General Meeting.

CORPORATE GOVERNANCE

CONTINUED

PRINCIPLE 7: RECOGNISE AND MANAGE RISK

Establish a sound system of risk oversight and management and internal control

The Board, with assistance from the Audit and Risk Compliance Committee, is responsible for ensuring effective risk management procedures and policies which:

- Describe the roles and respective account abilities of the Board, Committee, management and internal audit
- Provide for overseeing the establishment and implementation of the Company's Risk Management Committee
- Provide for annual review of the effectiveness of the Company's risk management systems
- Provide a risk profile for the Company which describes material financial and non financial risks facing the Company
- Oversees (via the Company's internal audit processes) the Company's internal compliance and control systems established by management, including the identification, assessment, monitoring and management of material risks throughout the organisation

The Board is seeking assurance from the Executive Management team in the development of a risk register. This register will detail the key risks facing the organisation in order to provide assurance that appropriate measures are in place to mange and monitor those risks. An independent specialist firm has now been engaged to complete a review during the first half of 2006.

The Committee Charter is available at the Investor Centre at *www.dexion.com.au*.

PRINCIPLE 8: ENCOURAGE ENHANCED PERFORMANCE

Fairly review and actively encourage enhanced board and management effectiveness

As the Company was only recently listed in April 2005 the Board has not yet formalised its procedures for the review of its performance under the Board Charter.

The Company shall undertake to review its performance under the Board Charter.

PRINCIPLE 9: REMUNERATE FAIRLY AND RESPONSIBLY

Remuneration Policy: A framework for disclosing to shareholders

The Board Nomination and Remuneration Committee's primary function is to support and advise the Board to ensure that:

- The Board is comprised of directors with an appropriate mix of skills, experiences and competencies to discharge responsibilities effectively.
- Both executive and non-executive remuneration packages, including base salaries, fringe benefits, incentive schemes and performance-related bonuses, superannuation and termination/retirement entitlements are subject to ongoing review
- Attract and retain individuals with appropriate skill and experience to meet the Company's long term performance goals

Given the small size of the Company's Board, the current composition of the Committee is the full Board. However the Managing Director and Finance Director have no voting rights. This is expected to change as the size and scope of the Company's operations expand. However, the Committee is comprised of at least two independent non-executive directors and meetings are chaired by the Chairman of the Board.

The Remuneration Report contained in the Director's Report outlines the broad structure and objectives of the remuneration policy and its link to the Company's performance. The monetary and non-monetary components of each Director's remuneration package and the Company's five highest remunerated executives are disclosed. The Company's remuneration policies demonstrate a clear relationship between performance and remuneration. The Company acknowledges the importance of balancing a range of fixed, performance-based and equity-based remuneration with the Company's short and longer-term performance objectives.

Dexion predominantly complies with best practice guidelines in relation to non- executive director remuneration. Our non-executive directors do not receive contractual salaries, or termination benefits. As disclosed in the Company's Prospectus dated 18 March 2005, non-executive director, Mr Graham Spurling received a bonus payment from the Company of $105,000 pursuant to the successful completion of the buy-back.

Fees paid to non-executive directors will not exceed the maximum aggregate sum of $300,000 (including mandatory superannuation) as disclosed on page 90 of the Company's Prospectus, or as determined by the Company's shareholders in general meeting. Executive Directors' remuneration is fixed by the Board and may consist of salary, superannuation and at-risk bonuses linked to performance, as recommended by the Board Nomination and Remuneration Committee.

Dexion has not implemented an equity-based executive remuneration plan in this financial year. In keeping with best practice recommendations, any future payments of equity-based executive remuneration will be subject to review by the Board Nomination and Remuneration Committee. The details of the plans will be presented to shareholders for approval at the Company's annual general meeting.

Information relating to best-practice reporting under Principle 9 is provided to shareholders in the Remuneration Report section of the Directors' Report within the Annual Report to shareholders.

PRINCIPLE 10: RECOGNISE THE LEGITIMATE INTERESTS OF STAKEHOLDERS

Recognise legal and other obligations to all legitimate stakeholders

The Board is fully committed to recognising the Company's legal and fiduciary obligations to all legitimate stakeholders including employees, customers, shareholders and the community. Fairness, honesty and ethical conduct are core values at Dexion and enacted in word and spirit through management mentoring, employee induction procedures and the Company's Code of Conduct.

Dexion's Code of Conduct, detailed on the Company's website, addresses matters relevant to the Company's compliance with its legal obligations to its stakeholders. The Code reflects the existing Company ethos and requires high standards of honesty, integrity and fairness in all aspects of employment with the Company.

The Code of Conduct was adopted by the Board on 19 April 2005 and contains details of the Company's policy with regard to the following matters:

- clear commitment by the Board and management to the Code
- the Company's core values and interests
- professional conduct and responsibilities to identified stakeholders
- obligations regarding fair trading and dealing
- confidentiality and protection of information
- expectations and undertakings to ensure legal and regulatory compliance

The Company's Code of Conduct is subject to ongoing review and assessment.

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF DEXION LIMITED AND ITS CONTROLLED ENTITIES

SCOPE

We have audited the financial report of Dexion Limited (the Company) for the financial year ended 31 December 2005, consisting of the income statements, statements of changes in recognised income and expense, balance sheets, statements of cash flows, accompanying notes 1 to 28, and the Directors' declaration set out on page 39. The financial report includes the consolidated financial statements of the consolidated entity, comprising the Company and the entities it controlled at the end of the year or from time to time during the financial year. The Company's directors are responsible for the financial report. We have conducted an independent audit of this financial report in order to express an opinion on it to the members of the Company.

Our audit has been conducted in accordance with Australian Auditing Standards to provide reasonable assurance whether the financial report is free of material misstatement. Our procedures included examination, on a test basis, of evidence supporting the amounts and other disclosures in the financial report, and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Australian Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with our understanding of the Company's and the consolidated entity's financial position, and performance as represented by the results of their operations and their cash flows.

The audit opinion expressed in this report has been formed on the above basis.

AUDIT OPINION

In our opinion, the financial report of Dexion Limited is in accordance with:

(a) the Corporations Act 2001, including:

- i) giving a true and fair view of the Company's and the consolidated entity'sfinancial position as at 31 December 2005 and of their performance for the financial year ended on that date; and
- ii) complying with Australian Accounting Standards and the Corporations Regulations 2001; and

(b) other mandatory professional reporting requirements in Australia.

KPMG

P M Napier
Partner

Sydney, 21 February 2006

DIRECTORS' DECLARATION

In the opinion of the directors of Dexion Limited

1. (a) The financial statements and notes, set out on pages 41 to 83 are in accordance with the *Corporations Act 2001,* including:
   - i) giving a true and fair view of the financial position of the Company and consolidated entity as at 31 December 2005 and of their performance, as represented by the results of their operations and their cash flows, for the financial year ended on that date; and
   - ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. There are reasonable grounds to believe that the Company and Dexion (Australia) Pty Limited will be able to meet any obligations or liabilities to which they are or may become subject to by virtue of the deed of cross guarantee between the Company and Dexion (Australia) Pty Limited pursuant to ASIC class order 98/1418.
3. The directors have been given the declarations by the Managing Director and Finance Director for the financial year ended 31 December 2005 pursuant to section 295A of the *Corporations Act 2001*.

Signed in accordance with a resolution of the directors:

Mr R Wright	**Mr B S Fuller**
Chairman	Director

Dated at Kings Park this 21st day of February 2006

LEAD AUDITOR'S INDEPENDENCE DECLARATION

UNDER SECTION 307C OF THE CORPORATIONS ACT 2001 TO THE DIRECTORS OF DEXION LIMITED

SCOPE

I declare that, to the best of my knowledge and belief, for the year ended 31 December 2005 there have been:

(i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and

(ii) no contraventions of any applicable code of professional conduct in relation to the audit.

KPMG

P M Napier
Partner

Sydney, 21 February 2006

INCOME STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

		Consolidated		The Company	
	Note	2005 $000's	2004 $000's	2005 $000's	2004 $000's
Revenue from the sale of goods		**130,972**	96,793	**–**	–
Other income		**682**	332	**55**	–
Total Revenue	2	**131,654**	97,125	**55**	–
Cost of goods sold		**(106,464)**	(77,183)	**–**	–
Selling and advertising expenses		**(10,134)**	(7,803)	**–**	–
Administrative expenses		**(5,295)**	(5,154)	**(55)**	(220)
Research & Technical services		**(716)**	(725)	**–**	–
Other expenses from ordinary activities		**(96)**	(429)	**–**	–
Operating profit before financing costs	3	**8,949**	5,831	**–**	(220)
Financial income		**117**	117	**7,042**	916
Financial expenses		**(527)**	(874)	**–**	(686)
Net financing costs	4	**(410)**	(757)	**7,042**	230
Profit before tax		**8,539**	5,074	**7,042**	10
Income tax expense/(benefit)	7	**2,275**	1,004	**(50)**	10
Profit after tax but before profit and loss of discontinued operation and gain on sale of discontinued operation		**6,264**	4,070	**7,092**	–
Profit and loss of discontinued operation and gain on sale of discontinued operation, net of tax	26	**–**	(47)	**–**	–
Profit for the period	18	**6,264**	4,023	**7,092**	–

		Cents per Share	Cents per Share
Basic earnings per share from continuing operations	8	11.59	N/A
Diluted earnings per share from continuing operations	8	11.59	N/A

The income statements are to be read in conjunction with the accompanying notes.

STATEMENTS OF RECOGNISED INCOME & EXPENSE

FOR THE YEAR ENDED 31 DECEMBER 2005

		Consolidated		The Company	
	Note	2005 $000's	2004 $000's	2005 $000's	2004 $000's
Foreign exchange translation differences		**141**	(110)	**–**	–
Net income recognised directly in equity		**141**	(110)	**–**	–
Profit for the period		**6,264**	4,023	**7,092**	–
Total recognised income and expense for the period		**6,405**	3,913	**7,092**	–
Attributable to:					
Equity holders of the parent		**6,405**	3,913	**7,092**	–
Total recognised income and expense for the period	18	**6,405**	3,913	**7,092**	–

The statements of recognised income are to be read in conjunction with the accompanying notes.

BALANCE SHEETS

AS AT 31 DECEMBER 2005

	Note	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
Current Assets					
Cash assets		**3,851**	5,384	**8**	2
Trade and other receivables	9	**20,860**	19,141	**–**	–
Inventories	10	**11,667**	10,454	**–**	–
Other	11	**865**	681	**–**	–
Total current assets		**37,243**	35,660	**8**	2
Non-current assets					
Receivables	9	**738**	1,181	**–**	–
Property, plant & equipment	12	**8,757**	7,905	**–**	–
Deferred tax assets	13	**1,351**	1,304	**–**	5
Other	11	**–**	–	**14,838**	14,838
Total non-current assets		**10,846**	10,390	**14,838**	14,843
Total assets		**48,089**	46,050	**14,846**	14,845
Current liabilities					
Interest bearing liabilities	15	**1,476**	2,027	**–**	–
Payables	14	**24,779**	29,833	**7,459**	11,207
Income tax payable		**1,424**	725	**1,402**	725
Provisions	16	**2,750**	2,813	**–**	–
Total current liabilities		**30,429**	35,398	**8,861**	11,932
Non-current liabilities					
Interest bearing liabilities	15	**4,595**	–	**–**	–
Provisions	16	**408**	375	**–**	–
Deferred tax liability	13	**157**	191	**–**	29
Total non-current liabilities		**5,160**	566	**–**	29
Total liabilities		**35,589**	35,964	**8,861**	11,961
Net assets		**12,500**	10,086	**5,985**	2,884
Equity					
Issued capital	18	**5,930**	2,880	**5,930**	2,880
Reserves	18	**(70)**	(211)	**–**	–
Retained earnings	18	**6,640**	7,417	**55**	4
Total equity		**12,500**	10,086	**5,985**	2,884

The balance sheets are to be read in conjunction with the accompanying notes.

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2005

		Consolidated		The Company	
		2005	2004	2005	2004
	Note	$000's	$000's	$000's	$000's
Cash flows from operating activities					
Cash receipts in the course of operations		**135,356**	113,248	**–**	–
Cash payments in the course of operations		**(132,661)**	(100,614)	**8,324**	822
Interest received		**117**	117	**1**	916
Income taxes paid		**(1,461)**	–	**(1,461)**	–
Interest paid		**(516)**	(848)	**–**	(686)
Net cash provided by operating activities	19 (ii)	**835**	11,903	**6,864**	1,052
Cash flows from investing activities					
Proceeds on disposal of controlled entities	26	**–**	473	**–**	–
Proceeds on disposal of plant & equipment		**1**	25	**–**	–
Proceeds on disposal of land & buildings		**–**	14,028	**–**	–
Payments for property, plant and equipment		**(2,142)**	(3,092)	**–**	–
Net cash provided by / (used in) investing activities		**(2,141)**	11,434	**–**	**–**
Cash flows from financing activities					
Net proceeds from issue of shares		**43,323**	–	**43,323**	–
Share buy back		**(40,423)**	–	(40,423)	–
Dividends paid		**(7,041)**	–	**(7,041)**	–
Proceeds from borrowings		**8,500**	–	**–**	19,471
Repayment of borrowings		**(4,586)**	(20,916)	**(2,716)**	(20,524)
Net cash (used in) financing activities		**(227)**	(20,916)	**(6,857)**	(1,053)
Net (decrease) / increase in cash held		**(1,533)**	2,421	**6**	(1)
Cash at the beginning of the financial year		**5,384**	2,963	**2**	3
Cash at the end of the financial year	19 (i)	**3,851**	5,384	**8**	2

The statements of cash flows are to be read in conjunction with the accompanying notes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1 SIGNIFICANT ACCOUNTING POLICIES

Dexion Limited (the Company) is a company domiciled in Australia. The consolidated financial report of the Company for the year ended 31 December 2005 comprise the Company and its subsidiaries (together referred to as the consolidated entity).

The financial report was authorised for issue by the Directors on 21 February 2006.

(A) STATEMENT OF COMPLIANCE

The financial report is a general purpose financial report which has been prepared in accordance with Australian Accounting Standards, Urgent Issues Group Interpretations adopted by the Australian Accounting Standards Board (AASB) and the Corporations Act 2001. International Financial Reporting Standards (IFRS) form the basis of Australian Accounting Standards adopted by the AASB, being Australian equivalents to IFRS (AIFRS).

This is the consolidated entity's first financial report prepared in accordance with Australian Accounting Standards, being AIFRS and AASB 1 *First time adoption of AIFRS* has been applied. An explanation of how the transition to AIFRS has affected the reported financial position, financial performance and cash flows of the consolidated entity and the Company is provided in note 28.

(B) BASIS OF PREPARATION

The financial report is presented in Australian Dollars.

Issued standards not early adopted

The following standards and amendments were available for early adoption but have not been applied by the consolidated entity in these financial statements:

AASB No.	Title	Operative Date
7	Financial Instruments: Disclosures	1 January 2007
101	Presentation of Financial Statements	1 January 2006
119	Employee Benefits	1 January 2006
2005-4	Amendments to Australian Accounting Standards	1 January 2006
2005-5	Amendments to Australian Accounting Standards	1 January 2006
2005-6	Amendments to Australian Accounting Standards	1 January 2006
2005-9	Amendments to Australian Accounting Standards	1 January 2006
2005-10	Amendments to Australian Accounting Standards	1 January 2007
2006-1	Amendments to Australian Accounting Standards	31 December 2006

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(B) BASIS OF PREPARATION CONTINUED

The consolidated entity plans to adopt AASB 101, AASB 119, AASB 2005-4, AASB 2005-5, AASB 2005-6, AASB 2005-9 and AASB 2006-1 in the financial year ending 31 December 2006 and AASB 7 and AASB 2005-10 in the financial year ending 31 December 2007.

The initial application of these standards is not expected to have an impact on the financial results of the consolidated entity.

The financial report has been prepared on the historical cost basis. The preparation of a financial report in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by each entity in the consolidated entity.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

The accounting policies set out below have been applied consistently to all periods presented in the consolidated financial report and in preparing an opening AIFRS balance sheet at 1 January 2004 for the purposes of the transition to Australian Accounting Standards – AIFRS.

The accounting policies have been applied consistently by consolidated entities.

The Company is of a kind referred to in ASIC Class Order 05/641 dated 28 July 2005 and in accordance with that Class Order, amounts in the financial report and Directors' Report have been rounded off to the nearest thousand dollars, unless otherwise stated.

(C) PRINCIPLES OF CONSOLIDATION

Subsidiaries

Subsidiaries are entities controlled by the Company. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable or convertible are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Investments in subsidiaries are carried at their cost of acquisition in the Company's financial statements. The balances, and effects of transactions, between controlled entities included in the consolidated financial statements have been eliminated.

(D) REVENUE RECOGNITION

Revenues are recognised at fair value of the consideration received net of the amount of goods and services tax (GST).

Sale of goods

Revenue from the sale of goods is recognised (net of returns, discounts and allowances) when the significant risks and rewards of ownership have been transferred to the buyer. As soon as the outcome of construction contracts can be estimated reliably, contract revenue and expenses are recognised in the income statement in proportion to the stage of completion of the contract.

Interest revenue

Interest revenue is recognised as it accrues.

Royalty income

The Company licences it's registered trademarks and other intellectual property and receives royalty income pursuant to the licence agreements. The amount of the royalty income can be reliably measured and revenue is recognised on an accrual basis in accordance with the underlying licence agreement.

(D) REVENUE RECOGNITION CONTINUED

Franchise fees

The Company obtains franchise fees upon the granting of a franchise providing rights to use the Company's trademarks and distribute the Company's products. The revenue is recognised at the time the franchise is granted.

Sale of non-current assets

The gross proceeds of asset sales not originally purchased for the intention of resale are included as revenue at the date an unconditional contract of sale is signed.

The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal.

(E) FOREIGN CURRENCY

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to Australian dollars at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction.

Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to Australian dollars at foreign exchange rates ruling at the dates the fair value was determined.

Financial statements of foreign operations

The assets and liabilities of foreign operations are translated at the rates of exchange ruling at the balance sheet date. The revenues and expenses of foreign operations are translated to Australian dollars at rates approximating to the foreign exchange rates ruling at the date of the transactions. Foreign exchange differences arising on translation are taken directly in a separate component of equity (the foreign currency translation reserve) until the disposal, or partial disposal of the operations.

The balance of the foreign currency translation reserve relating to a foreign operation that is disposed of, or partially disposed of, is transferred to the income statement as part of the gain or loss on disposal.

(F) TAXATION

Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(F) TAXATION CONTINUED

The following temporary differences are not provided for: the initial recognition of assets or liabilities that affect neither accounting nor taxable profit, and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Additional income taxes that arise from the distribution of dividends are recognised at the same time as the liability to pay the related dividend.

Tax consolidation

The Company and its wholly-owned Australian resident entities have formed a tax-consolidated group with effect from 12 August 2003 and are therefore taxed as a single entity from that date. The head entity within the tax-consolidated group is Dexion Limited.

Current tax expense/income, deferred tax liabilities and deferred tax assets arising from temporary differences of the members of the tax-consolidated group are recognised in the separate financial statements of the members of the tax-consolidated group using the group allocation approach.

Any current tax liabilities (or assets) and deferred tax assets arising from unused tax losses of the subsidiaries is assumed by the head entity in the tax-consolidated group and are recognised as amounts payable (receivable) to (from) other entities in the tax-consolidated group in conjunction with any tax funding arrangement amounts (refer below). Any difference between these amounts is recognised by the Company as an equity contribution or distribution.

The Company recognises deferred tax assets arising from unused tax losses of the tax-consolidated group to the extent that it is probable that future taxable profits of the tax-consolidated group will be available against which the asset can be utilised.

Any subsequent period adjustments to deferred tax assets arising from unused tax losses as a result of revised assessments of the probability of recoverability is recognised by the head entity only.

Nature of tax funding arrangements and tax sharing arrangements

The head entity, in conjunction with other members of the tax-consolidated group, has entered into a tax funding arrangement which sets out the funding obligations of members of the tax-consolidated group in respect of tax amounts. The tax funding arrangements require payments to/from the head entity equal to the current tax liability (asset) assumed by the head entity and any tax-loss deferred tax asset assumed by the head entity, resulting in the head entity recognising an inter-entity payable (receivable) equal in amount to the tax liability (asset) assumed. The inter-entity payable(receivable) are at call.

Contributions to fund the current tax liabilities are payable as per the tax funding arrangement and reflect the timing of the head entity's obligation to make payments for tax liabilities to the relevant tax authorities.

The head entity in conjunction with other members of the tax-consolidated group, has also entered into a tax sharing agreement. The tax sharing agreement provides for the determination of the allocation of income tax liabilities between the entities should the head entity default on its tax payment obligations. No amounts have been recognised in the financial statements in respect of this agreement as payment of any amounts under the tax sharing agreement is considered remote.

(G) PROPERTY, PLANT & EQUIPMENT

Acquisition

Items of property, plant and equipment are initially recorded at their cost of acquisition at the date of acquisition, being the fair value of the consideration provided plus incidental costs directly attributable to the acquisition.

Depreciation and amortisation

Depreciation is charged to the income statement on a straight line basis over the estimated useful lives.

	2005	2004
Plant and equipment	5 – 15 years	5 – 15 years
Software	2.5 years	2.5 years

Assets are depreciated from the date of acquisition. Depreciation rates are reviewed annually for appropriateness. When changes are made, adjustments are reflected prospectively in current and future periods only. Depreciation charges are expensed.

(G) PROPERTY, PLANT & EQUIPMENT CONTINUED

Leased plant and equipment

Leases of plant and equipment under which the consolidated entity assumes substantially all the risks and benefits of ownership are classified as finance leases. Other leases are classified as operating leases.

Payments made under operating leases are charged against profits in equal instalments over the term of the lease, except where an alternative basis is more representative of the pattern of benefits to be derived from the leased property.

Capital works in progress

Items of property, plant and equipment acquired but which are not ready for use are recorded as capital work in progress. These assets are not depreciated until such time as they are ready for use and are transferred out of capital work in progress and into property, plant and equipment.

(H) TRADE AND OTHER RECEIVABLES

Trade and other receivables are stated at their cost less impairment losses. (see accounting policy (j)).

(I) EMPLOYEE BENEFITS

Wages, salaries and annual leave

The provisions for employee entitlements to wages, salaries and annual leave represents the amount which the consolidated entity has a present obligation to pay resulting from employees' services provided up to the balance date. The provisions have been calculated at undiscounted amounts based on expected wage and salary rates and includes related on-costs. The carrying amount of the provisions approximate net fair value.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(I) EMPLOYEE BENEFITS CONTINUED

Long service leave

The liability for employees' entitlements to long service leave represents the present value of the estimated future cash outflows to be made by the employer resulting from employees' services provided up to the balance date.

In determining the liability for employee entitlements, consideration has been given to future increases in wage and salary rates, and the Company's experience with staff departures. Related on-costs have also been included in the liability. The carrying amount of the provision approximates net fair value.

Superannuation plan

The Company and its controlled entities contribute to superannuation accumulation plans. Contributions are recognised as an expense in the income statement as incurred.

(J) IMPAIRMENT

The carrying amounts of the consolidated entity's assets, other than inventories (see accounting policy (p)) and deferred tax assets (see accounting policy (f)), are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement, unless an asset has previously been revalued, in which case the impairment loss is recognised as a reversal to the extent of that previous revaluation with any excess recognised through profit or loss.

(K) INVESTMENTS

Controlled entities

Investments in controlled entities are carried in the Company's financial statements at the lower of cost and recoverable amount.

(L) PAYABLES

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether or not billed to the Company or consolidated entity. Trade and other payables are stated at cost.

(M) GOODS AND SERVICES TAX

Revenues, expenses and assets are recognised net of the amounts of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Tax Office (ATO). In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities that are recoverable from, or payable to, the ATO are classified as operating cash flows.

(N) PROVISIONS

A provision is recognised when there is a present legal, equitable or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

If the effect is material, a provision is determined by discounting the expected future cash flows (adjusted for expected future risks) required to settle the obligation at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is treated as part of the expense related to the particular provision.

Warranties

Provisions for warranty claims are made for claims received and claims expected to be received in relation to sales made prior to reporting date, based on historical claim rates.

(O) FINANCING COSTS

Ancillary costs incurred in connection with the arrangement of borrowings are netted against the relevant borrowings and amortised over their life.

Borrowing costs are expensed as incurred unless they relate to qualifying assets. Qualifying assets are assets which take more than 12 months to get ready for their intended use or sale. In these circumstances, borrowing costs are capitalised to the cost of the assets. Where funds are borrowed specifically for the acquisition, construction or production of a qualifying asset, the amount of borrowing costs capitalised is those incurred in relation to that borrowing, net of any interest earned on those borrowings.

(P) INVENTORIES

Raw materials and stores, work in progress and finished goods are carried at the lower of cost allocated and net realisable value. Net realised value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Cost of inventories is based on the first-in first-out principle and includes direct materials, direct labour, other direct variable costs and allocated production overheads necessary to bring inventories to their present location and condition, based on normal operating capacity of the production facilities.

(Q) INTEREST BEARING LIABILITIES

Bank loans are recognised at their principal amount, subject to set off arrangements. Interest expense is accrued at the contracted rate and included in Note 14 Payables "Other creditors and accruals".

Bills of exchange and notes payable are recognised when issued at the net proceeds received, with the premium or discount on issue amortised over the period to maturity. Interest expense is recognised on an effective yield basis.

(R) COMPARATIVES

Where necessary, comparative information has been reclassified to achieve consistency in disclosure with current financial year information and other disclosures.

(S) DERIVATIVE FINANCIAL INSTRUMENTS

Current accounting policy

The consolidated entity uses derivative financial instruments to hedge its exposure to foreign exchange risks arising from operational, financing and investment activities. In accordance with its treasury policy, the consolidated entity does not hold or issue derivative financial instruments for trading purposes. However, derivatives that do not qualify for hedge accounting are accounted for as trading instruments.

Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on remeasurement to fair value is recognised immediately in profit or loss.

(T) INTANGIBLE ASSETS

Research and development

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in the income statement as an expense as incurred.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

1 SIGNIFICANT ACCOUNTING POLICIES CONTINUED

(T) INTANGIBLE ASSETS CONTINUED

Expenditure on development activities, whereby research findings are applied to a plan or design for the production of new or substantially improved products and processes, is capitalised if the product or process is technically and commercially feasible and the consolidated entity has sufficient resources to complete development. The expenditure capitalised includes the cost of materials, direct labour and an appropriate proportion of overheads. Other development expenditure is recognised in the income statement as an expense as incurred. Capitalised development expenditure is stated at cost less accumulated amortisation and impairment losses.

(U) SHARE CAPITAL

Dividends

Dividends are recognised as a liability in the period in which they are declared.

Transaction costs

Transaction costs of an equity transaction are accounted for as a deduction from equity, net of any related income tax benefit.

	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
2 REVENUE				
Revenue from sale of goods	**130,972**	96,793	**–**	–
Other income				
Management fee related parties	**–**	–	**55**	–
Royalty, commission and agency revenue	**307**	192	**–**	–
Franchise fees	**150**	50	**–**	–
Sundry income	**225**	90	**–**	–
Total other income	**682**	332	**55**	–
Total revenue	**131,654**	97,125	**55**	–
3 EXPENSES				
Other expenses				
Depreciation of:				
Plant and equipment	**1,371**	1,278	**–**	–
Software	**263**	242	**–**	–
Net expense from movements in provision for:				
Employee entitlements	**157**	(369)		
Stock obsolescence	**(31)**	47	**–**	–
Doubtful debts	**328**	25	**–**	–
Warranties	**(207)**	(15)	**–**	–
Operating lease rental expense	**3,043**	2,366	**–**	–
Net loss on sale of plant and equipment	**19**	37	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
4 NET FINANCING COSTS				
Interest income	**(117)**	(117)	**(1)**	–
Interest income related parties	**–**	–	**–**	(916)
Dividend income	**–**	–	**(7,041)**	–
Financial income	**(117)**	(117)	**(7,042)**	(916)
Interest expense	**516**	439	**–**	277
Interest expense related parties	**–**	409	**–**	409
Net foreign exchange loss	**11**	26	**–**	–
Financing expenses	**527**	874	**–**	686
Net financing costs	**410**	757	**(7,042)**	(230)

	2005 $	2004 $	2005 $	2004 $
5 AUDITOR'S REMUNERATION				
Audit services:				
Auditors of the Company				
KPMG Australia:				
Audit and review of financial reports	**125,000**	64,000	**–**	–
Other auditors:				
Audit and review of financial reports	**18,070**	14,903	**–**	–
	143,070	78,903	**–**	–
Other services				
Auditors of the Company				
KPMG Australia:				
Taxation services	**21,164**	30,804	**–**	–
Financial advisory services	**–**	75,000	**–**	–
Other assurance services	**61,030**	–	**–**	–
	82,194	105,804	**–**	–
KPMG Related practices:				
Due diligence services relating to the Initial Public Offering, capitalised in contributed equity	**321,800**	–	**321,800**	–

	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
6 PERSONNEL EXPENSES				
Wages and salaries	**15,919**	13,708	**–**	–
Compulsory social security contributions	**10**	6	**–**	–
Contributions to defined contribution plans	**156**	127	**–**	–
Increase in liability for long-service leave	**91**	202	**–**	–
	16,176	14,043	**–**	–
7 INCOME TAX EXPENSE				
Recognised in the income statement				
Current tax expense				
Current Year	**2,338**	725	**(26)**	(14)
	2,338	725	**(26)**	(14)
Deferred tax expense				
Adjustments for prior years	**(36)**	73	**(29)**	7
Origination and reversal of temporary differences	**(27)**	8	**5**	17
Total income tax expense in income statement	**2,275**	806	**(50)**	10
Income tax expense / (benefit) attributable to:				
Continuing operation	**2,275**	1,004	**(50)**	10
Discontinued operation	**–**	(198)	**–**	–
	2,275	806	**(50)**	10
Numerical reconciliation between tax expense and pre-tax profit				
Profit before tax	**8,539**	4,830	**7,042**	10
Income tax using the domestic corporation tax rate of 30% (2004: 30%)	**2,561**	1,449	**2,113**	3
Increase in income tax expense due to:				
Non-deductible expenses	**87**	98	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
7 INCOME TAX EXPENSE CONTINUED				
Decrease in income tax expense due to:				
Disposal of controlled entity	**–**	(88)	**–**	–
Capitalised borrowing costs	**(22)**	–	**(22)**	–
Research & development concession	**(75)**	(43)	**–**	–
Intergroup dividend adjustment	**–**	–	**(2,112)**	–
Recovery of tax losses not previously brought to account	**(240)**	(683)	**–**	–
	2,311	733	**(21)**	3
Adjustment to prior years' deferred balances	**(36)**	73	**(29)**	7
Income tax expense on pre-tax profit	**2,275**	806	**(50)**	10
Income tax expense / (benefit) attributable to:				
Continuing operation	**2,275**	1,004	**(50)**	10
Discontinued operation	**–**	(198)	**–**	–
	2,275	806	**(50)**	10
Deferred tax recognised directly in equity:				
Relating to transaction costs associated with capital raising	**150**	–	**150**	–

8 EARNINGS PER SHARE

	2005	2004
	Cents per Share	Cents per Share
Basic earnings per share	**11.59**	N/A
Diluted earnings per share	**11.59**	N/A
	$000's	$000's
(a) Earnings used in calculating basic earnings per share	**6,264**	N/A
	No. of shares	No. of shares
(b) Weighted average number of shares used in calculating basic earnings per share	**54,057,376**	N/A
	$000's	$000's
(c) Earnings used in calculating diluted earnings per share	**6,264**	N/A
	No. of shares	No. of shares
(d) Weighted average number of shares used in calculating diluted earnings per share	**54,057,376**	N/A

Earnings per share is not calculated for the year ended 31 December 2004 as the Company was not a listed company at that time.

Earnings per share is not calculated for discontinued operation as the entity was disposed of in 2004.

	Consolidated		The Company	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's

9 TRADE AND OTHER RECEIVABLES

Current				
Trade debtors	**18,535**	16,797	**–**	–
Amounts due from customers under construction contracts	**1,409**	2,053	**–**	–
	19,944	18,850	**–**	–
Other receivables	**473**	291	**–**	–
Vendor finance loan – refer note 26	**443**	–	**–**	–
	20,860	19,141	**–**	–

Trade receivables are shown net of impairment losses amounting to $661,227 (2004: $333,181).

Non Current				
Vendor finance loan – refer note 26	**738**	1,181	**–**	–
	738	1,181	**–**	–

10 INVENTORIES

Raw materials	**3,112**	3,928	**–**	–
Work in progress	**3,247**	1,786	**–**	–
Finished goods	**5,308**	4,740	**–**	–
Carrying amount of inventories	**11,667**	10,454	**–**	–

Inventories are shown net of impairment losses amounting to $926,685 (2004: $957,934).

11 OTHER ASSETS

Current				
Prepayments	**865**	681	**–**	–
	865	681	**–**	–
Non-current				
At cost:				
Investment in Dexion Australia Pty Limited	**–**	–	**14,838**	14,838
	–	–	**14,838**	14,838

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

	Consolidated		The Company	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's
12 PLANT AND EQUIPMENT				
Plant and equipment				
At cost	**11,001**	8,719	**–**	–
Accumulated depreciation	**(2,987)**	(1,725)	**–**	–
	8,014	6,994	**–**	–
Software				
At cost	**1,041**	709	**–**	–
Accumulated depreciation	**(465)**	(274)	**–**	–
	576	435	**–**	–
Capital works in progress				
At cost	**167**	476	**–**	–
Total plant and equipment and software net book value	**8,757**	7,905	**–**	–
Reconciliations				
Reconciliations of the carrying amounts for each class of property, plant and equipment are set out below:				
Plant and equipment				
Carrying amount at beginning of year	**6,994**	5,835	**–**	–
Transfer from capital works in progress	**2,163**	2,464	**–**	–
Transfer from software	**5**	–	**–**	–
IFRS adjustments	**21**	130	**–**	–
Disposals	**(19)**	(62)	**–**	–
Disposal of controlled entity	**–**	(66)	**–**	–
Depreciation	**(1,371)**	(1,278)	**–**	–
Reversal of prior year provision for fair value adjustment on plant and equipment	**169**	–	**–**	–
Net foreign currency differences on translation of self-sustaining operation	**52**	(29)	**–**	–
Carrying amount at end of year	**8,014**	6,994	**–**	–

	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
12 PLANT AND EQUIPMENT CONTINUED				
Software				
Carrying amount at beginning of year	**435**	330	**–**	–
Transfer from capital works in progress	**400**	457	**–**	–
Transfer to plant and equipment	**(5)**	–	**–**	–
Disposals	**(3)**	(60)	**–**	–
Disposal of controlled entity	**–**	(50)	**–**	–
Depreciation	**(263)**	(242)	**–**	–
Net foreign currency differences on translation of self-sustaining operation	**12**	–	**–**	–
Carrying amount at end of year	**576**	435	**–**	–
Capital works in progress				
Carrying amount at beginning of year	**476**	305	**–**	–
Additions	**2,272**	3,092	**–**	–
IFRS adjustments	**(18)**	–	**–**	–
Transfers to property, plant and equipment and software	**(2,563)**	(2,921)	**–**	–
Carrying amount at end of year	**167**	476	**–**	–

13 DEFERRED TAX ASSETS AND LIABILITIES

Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

	Assets 2005 $000's	Assets 2004 $000's	Liabilities 2005 $000's	Liabilities 2004 $000's	Net 2005 $000's	Net 2004 $000's
Consolidated						
Property, plant and equipment	**–**	–	**109**	122	**109**	122
Employee benefits	**(898)**	(842)	**–**	–	**(898)**	(842)
Accruals	**(37)**	(29)	**–**	–	**(37)**	(29)
Provisions	**(368)**	(395)	**–**	–	**(368)**	(395)
Other items	**(48)**	(38)	**48**	69	**–**	31
Tax (assets)/liabilities	**(1,351)**	(1,304)	**157**	191	**(1,194)**	(1,113)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

13 DEFERRED TAX ASSETS AND LIABILITIES CONTINUED

	Assets		Liabilities		Net	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's	2005 $000's	2004 $000's
The Company						
Accruals	**–**	(5)	**–**	–	**–**	(5)
Other items	**–**	–	**–**	29	**–**	29
Tax (assets)/liabilities	**–**	(5)	**–**	29	**–**	24

At 31 December 2005, a deferred tax liability relating to investments in subsidiaries has not been recognised because the company controls whether the liability will be incurred and it is satisfied that it will not be incurred in the foreseeable future.

Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following:

	Consolidated		The Company	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's
Tax losses	**177**	366	**–**	–

Deferred tax assets have not been recognised in respect of tax losses because it is not probable that future taxable profit will be available against which the consolidated entity can utilise the benefits from.

The gross amount of revenue tax losses carried forward that have not been recognised are as follows:

Tax jurisdiction				
Malaysia	**401**	1,019	**–**	–
Hong Kong	**373**	461	**–**	–
	774	1,480	**–**	–

14 PAYABLES

Current				
Trade creditors	**9,735**	12,999	**2**	1
Amounts owing to related entities	**–**	–	**7,457**	11,095
Other creditors and accruals	**2,135**	3,243	**–**	111
Progress payments received in advance from customers under construction contracts	**12,909**	13,591	**–**	–
	24,779	29,833	**7,459**	11,207

	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
15 INTEREST BEARING LIABILITIES				
Current				
Bank loans – secured	**1,441**	2,027	**–**	–
Current portion of finance lease liabilities	**35**	–	**–**	–
	1,476	2,027	**–**	–
Non-current				
Bank bills – secured	**4,500**	–	**–**	–
Finance lease liabilities	**95**	–	**–**	–
	4,595	–	**–**	–
Financing arrangements				
The consolidated entity has access to the following lines of credit:				
Total facilities available:				
– Bank bills	**8,000**	6,160	**–**	6,160
– Bank overdraft	**2,500**	3,000	**–**	3,000
– Bank guarantees	**4,500**	3,000	**–**	3,000
– Documentary letters of credit	**550**	–	**–**	–
– Bank loans secured by letters of credit	**3,000**	3,074	**–**	3,074
	18,550	15,234	**–**	15,234
Facilities utilised at reporting date:				
– Bank bills	**4,500**	–	**–**	–
– Bank overdraft	**–**	–	**–**	–
– Bank guarantees	**4,326**	2,958	**–**	–
– Documentary letters of credit	**536**	–		
– Bank loans secured by letters of credit	**2,886**	2,027	**–**	–
	12,248	4,985	**–**	–
Facilities not utilised at reporting date:				
– Bank bills	**3,500**	6,160	**–**	6,160
– Bank overdraft	**2,500**	3,000	**–**	3,000
– Bank guarantees	**174**	42	**–**	3,000
– Documentary letters of credit	**14**	–	**–**	–
– Bank loans secured by letters of credit	**114**	1,047	**–**	3,074
Total facilities not utilised at reporting date	**6,302**	10,249	**–**	15,234

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

15 INTEREST BEARING LIABILITIES CONTINUED

The bank facilities are secured by a fixed and floating charge over the assets and an undertaking of Dexion Limited and Dexion (Australia) Pty Limited. The bank loan of $1,441,701 (2004: $2,086,889) is secured by an irrevocable letter of credit in the amount of $2,885,544 (2004: $2,885,544) issued by the National Australia Bank.

The interest rate at 31 December 2005 on the overdraft in Malaysia was 6.5% (2004: 6.3%). The interest rate at 31 December 2005 on bank bills was 5.9% (2004: 5.7%).

	Consolidated		The Company	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's
16 PROVISIONS				
Current				
Employee entitlements	**2,750**	2,606	**–**	–
Warranties	**–**	207	**–**	–
	2,750	2,813	**–**	–
Non-current				
Employee entitlements	**213**	200	**–**	–
Make good costs	**31**	14	**–**	–
Dismantling assets	**164**	161	**–**	–
	408	375	**–**	–
Employee numbers				
The number of employees as at the end of 31 December	**300**	271	**–**	–

Reconciliations

Reconciliations of the carrying amounts of each class of provision, except for employee benefits are set out below:

	Consolidated 2005 $000's	The Company 2005 $000's
Warranties		
Balance at 1 January 2005	**207**	**–**
Provisions made during the year	**60**	**–**
Provisions used during the year	**(124)**	**–**
Provisions reversed during the year	**(143)**	**–**
Carrying amount at end of year	**–**	**–**

	Consolidated 2005 $000's	The Company 2005 $000's
16 PROVISIONS CONTINUED		
Make good costs		
Balance at 1 January 2005	**14**	**–**
Provisions made during the year	**17**	**–**
Carrying amount at end of year	**31**	**–**
Dismantling assets		
Balance at 1 January 2005	**161**	**–**
Provisions made during the year	**3**	**–**
Carrying amount at end of year	**164**	**–**

	Consolidated		The Company	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's
17 COMMITMENTS				
Non-cancellable operating lease expense commitments				
Future operating lease commitments not provided for in the financial statements and payable:				
– Within one year	**2,585**	2,166	**–**	–
– One year or later and no later than five years	**8,879**	8,300	**–**	–
– Later than five years	**7,036**	8,616	**–**	–
	18,500	19,082	**–**	–
Capital expenditure commitments				
Plant and equipment				
– One year or later and no later than five years	**678**	202	**–**	–

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

18 CAPITAL AND RESERVES

Reconciliation of movement in capital and reserves

	Share capital $000's	Translation reserve $000's	Retained earnings $000's	Total equity $000's
Consolidated				
Balance as at 1 January 2004	**2,880**	(101)	**3,394**	6,173
Total recognised income and expense	**–**	(110)	**4,023**	3,913
Balance as at 31 December 2004	**2,880**	(211)	**7,417**	10,086
Balance as at 1 January 2005	**2,880**	(211)	**7,417**	10,086
Total recognised income and expense	**–**	141	**6,264**	6,405
Net proceeds from issuance of ordinary shares	**43,323**	–	**–**	43,323
Tax effect of share issue costs	**150**	–	**–**	150
Payment for share buy back	**(40,423)**	–	**–**	(40,423)
Dividends to shareholders	**–**	–	**(7,041)**	(7,041)
Balance as at 31 December 2005	**5,930**	(70)	**6,640**	12,500
The Company				
Balance as at 1 January 2004	**2,880**	–	**–**	2,880
Total recognised income and expense	**–**	–	**4**	4
Balance as at 31 December 2004	**2,880**	–	**4**	2,884
Balance as at 1 January 2005	**2,880**	–	**4**	2,884
Total recognised income and expense	**–**	–	**7,092**	7,092
Net proceeds from issuance of ordinary shares	**43,323**	–	**–**	43,323
Tax effect of share issue costs	**150**	–	**–**	150
Payment for share buy back	**(40,423)**	–	**–**	(40,423)
Dividends to shareholders	**–**	–	**(7,041)**	(7,041)
Balance as at 31 December 2005	**5,930**	–	**55**	5,985

18 CAPITAL AND RESERVES CONTINUED

	The Company 2005	2004
Share capital		
On issue at 1 January	**3,163,571**	3,163,571
Issued to existing shareholders following capital reconstruction	**45,316,429**	–
Buy back from existing shareholders	**(40,422,624)**	–
Issued during the year pursuant to the Dexion Limited prospectus dated 18 March 2005	**46,000,000**	–
On issue at 31 December – fully paid	**54,057,376**	3,163,571

Ordinary shares

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company.

Translation reserve

The translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of self-sustaining foreign operations where their functional currency is different to the presentation currency of the reporting entity, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

Dividends

Dividends recognised in the current year by the Company are:

	Cents per share	Total amount $000's	Franked / unfranked	Date of payment
Special 2005	13.4	6,500	Partial	4 April 2005
Interim 2005	1.0	541	Franked	19 Sept 2005
Total amount		7,041		

The dividend payment of $6,500,000 was franked to the value of $1,746,428.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

18 CAPITAL AND RESERVES CONTINUED

After the balance sheet date the following dividends were proposed by the directors. The dividends have not been provided for and there are no income tax consequences.

	Cents per share	Total amount $000's	Franked / unfranked	Date of payment
Final 2005	3.5	1,892	Franked	21 Mar 2006

The financial effect of these dividends have not been brought to account in the financial statements for the year ended 31 December 2005 and will be recognised in subsequent financial reports.

	The Company	
	2005 000's	2004 000's
Dividend franking account		
30% franking credits available to shareholders of Dexion Limited for subsequent financial years	**1,884**	725

The above available amounts are based on the balance of the dividend franking account at year-end adjusted for:

a) franking credits that will arise from the payment of the current tax liability

b) franking debits that will arise from the payments of dividends recognised as a liability at the year-end

c) franking credits that the entity may be prevented from distributing in subsequent years

The ability to utilise the franking credits is dependent upon there being sufficient available profits to declare dividends.

In accordance with the tax consolidation legislation, the Company as the head entity in the tax consolidated group has assumed the benefit of $1,883,817 (2004: 724,926) franking credits.

19 NOTES TO THE STATEMENTS OF CASH FLOWS

(i) Reconciliation of cash

For the purposes of the statements of cash flows, cash includes cash on hand and at bank and short term deposits at call. Cash as at the end of the financial period as shown in the statement of cash flows is reconciled to the related items in the statement of financial position as follows:

	Consolidated		The Company	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's
Cash	**3,851**	5,384	**8**	2

(ii) Reconciliation of operating profit after income tax to net cash provided by / (used in) operating activities

	Consolidated 2005 $000's	Consolidated 2004 $000's	The Company 2005 $000's	The Company 2004 $000's
Operating profit after income tax	**6,264**	4,023	**7,092**	–
Add (less) items classified as investing / financing activities:				
Loss on sale of non-current assets	**20**	97	**–**	–
Profit on sale of controlled entities	**–**	(836)	**–**	–
Proceeds from sale of land and buildings	**–**	(14,028)	**–**	–
Non-cash items:				
Depreciation	**1,634**	1,520	**–**	–
Amortisation of goodwill	**–**	143	**–**	–
Amortisation of trademarks	**–**	1	**–**	–
Unrealised foreign exchange (gain)/loss	**77**	(82)	**–**	–
Tax effect on share issue costs	**150**	–	**150**	–
(Decrease) / increase in income tax payable	**699**	725	**677**	725
(Increase) / decrease in deferred tax asset	**(47)**	141	**5**	169
Increase / (decrease) in deferred tax liability	**(34)**	(87)	**(29)**	(87)
(Decrease) / increase in provisions	**95**	(589)	**–**	–
Change in assets and liabilities adjusted for effects of the acquisition and disposal of controlled entities during the financial year				
(Increase) / decrease in receivables	**(1,603)**	8,692	**–**	7
(Increase) / decrease in inventory	**(1,182)**	(2,625)	**–**	207
(Increase) / decrease in other debtors	**(184)**	(113)	**–**	–
Increase / (decrease) in creditors and other accruals	**(5,054)**	14,921	**(1,031)**	31
Net cash provided by operating activities	**835**	11,903	**6,864**	1,052

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

20 SEGMENT REPORTING

Segment information is presented in respect of the consolidated entity's business and geographical segments. The primary format, geographical segments, is based on the consolidated entity's management and internal reporting structure.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the period to acquire segment assets that are expected to be used for more than one period.

Geographical segments represent the primary segment

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

The consolidated entity's business segments operate geographically as follows:

- Australia – manufacturing facility, sales offices in certain states and distributors
- Asia – Malaysia; manufacturing facility, sales office and distributors
  – Hong Kong; sales office

Application of storage products represent the secondary segment

Information presented on the basis of the application of the storage products between Logistics customers and Office customers.

Primary Reporting – Geographical segments

	Australia		Asia		Eliminations		Consolidated	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's	2005 $000's	2004 $000's	2005 $000's	2004 $000's
Revenue								
External segment revenue	**111,438**	78,659	**19,534**	18,134	**–**	–	**130,972**	96,793
Inter-segment revenue	**1,353**	1,009	**406**	348	**(1,759)**	(1,357)	**–**	–
Total segment revenue	**112,791**	79,668	**19,940**	18,482	**(1,759)**	(1,357)	**130,972**	96,793
Unallocated revenue	**670**	304	**12**	28	**–**	–	**682**	332
Total Revenue	**113,461**	79,972	**19,952**	18,510	**(1,759)**	(1,357)	**131,654**	97,125
Result								
Profit before income tax	**7,660**	4,120	**879**	954	**–**	–	**8,539**	5,074
Income tax expense	**2,273**	1,004	**2**	–	**–**	–	**2,275**	1,004
Profit after income tax	**5,387**	3,116	**877**	954	**–**	–	**6,264**	4,070
Depreciation & amortisation	**1,355**	1,400	**279**	267	**–**	–	**1,634**	1,667
Assets								
Segment assets	**39,627**	38,085	**8,462**	7,965	**–**	–	**48,089**	46,050
Liabilities								
Segment liabilities	**29,218**	30,728	**6,371**	4,670	**–**	–	**35,589**	35,398

20 SEGMENT REPORTING CONTINUED

	Australia		Asia		Eliminations		Consolidated	
	2005 $	2004 $	2005 $	2004 $	2005 $	2004 $	2005 $	2004 $
Secondary revenue – Storage application								
Segment revenue								
Logistics	**104,038**	71,240	**17,026**	14,428			**121,064**	85,668
Office	**7,400**	7,419	**2,508**	3,706			**9,908**	11,125
	111,438	78,659	**19,534**	18,134			**130,972**	96,793

Carrying amounts for segment assets and liabilities has not been disclosed for secondary segments as they cannot be reliably allocated between Logistics and Office.

Excluded from the results for Australia for the period ended 31 December 2004 are the results from the discontinued operation (Dexion Integrated Systems Pty Limited) refer to note 25.

21 RELATED PARTIES

Parent entity

The parent entity in the economic entity is Dexion Limited.

Entities subject to common control

During the year there were no goods purchased or sold by the Company from / to other companies within the group.

The aggregate amounts receivable and payable from entities subject to common control at balance date are as follows:

	The Company 2005 $000's	The Company 2004 $000's
Amounts owing from related parties (attributable to tax consolidation)	**(1,647)**	(725)
Amounts owing to related parties (non-interest bearing and at call)	**9,104**	11,820
	7,457	11,095

During the year, the Company received management fees from Dexion (Australia) Pty Limited amounting to $55,000 (2004: nil).

Directors

The names of each person who held the position of Director of the Company during the financial year are: Messrs R Wright (Chairperson appointed 18/03/2005), B Fuller, T Clayton, SM Wong (resigned 17/03/2005), A Savage (resigned 17/03/2005) and G Spurling.

Management fees totalling $58,667 (2004: $176,000) were paid to CHAMP Ventures Pty Limited during the year, being managers of the CHAMP Ventures Investments Trust 5A and CHAMP Ventures Investments Trust 5B.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

21 RELATED PARTIES CONTINUED

Employee share offer

Of the 46,000,000 shares that were offered in the Initial Public Offer, an amount of 750,000 shares was allocated to employees of the Company and its controlled entities to purchase at a discounted rate of $0.85 per share. Applications from employees exceeded the initial allocation by 32,588 shares. In preference to scaling back allocations to employees the Directors increased the allocation of shares.

Thus the number of shares issued to employees was 782,588.

Directors' and executives holdings of shares

The interests of directors of the consolidated entity and their director-related entities in shares of entities within the consolidated entity at period-end are set out below:

	2005 Number Held	2004 Number Held
Dexion Limited	**4,104,720**	8,023,440

22 KEY MANAGEMENT PERSONNEL DISCLOSURES

Remuneration Report

The Remuneration Report outlines the policies and procedures of the Board of Dexion Limited and complies with the required disclosure about the remuneration of executive and non-executive directors to ensure market transparency and accountability to our shareholders.

The information in this report assists investors to understand:

- The benefits and costs of the Company's remuneration policies
- The link between the Company's performance and the performance of directors and executives
- Remuneration details for specified Company Directors and executives in this financial year

Remuneration Policy

The Company's Board Nomination and Remuneration Committee provides an efficient mechanism for determining remuneration policy whilst enabling the Board to focus on making informed decisions about its framework implementation, in keeping with ASX Corporate Governance Council's Best Practice Recommendation 9.2.

The Company's Board Nomination and Remuneration Committee is Chaired by Mr Robert Wright and operates under delegated authority of the Board. Its Charter is available on the Dexion websitewww.dexion.com.au. The Committee has met twice since listing on the ASX on 29 April 2005 and the date of this report. The Committee consults with Hay Group who are independent, professional consultants for market information and advice about remuneration to meet its policy objectives to ensure that remuneration policy is balanced and independent.

The Committee aims to assist and advise the Company to develop policies which provide the best value for shareholders by:

- Ensuring that remuneration supports undertakings in the Company's Board Nomination and Remuneration Committee Charter
- Undertaking regular review of remuneration practices to ensure comparability to those offered to directors and executives of similar companies
- Offering competitive remuneration incentives to attract, motivate and retain the most effective and productive directors and executives
- Linking fair and responsible remuneration between individual and company performance
- Ensuring a correlation between executive bonus rewards and value for shareholders

22 KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

Executive Directors' and Senior Executive Remuneration

As a listed Company, Dexion Limited is required to disclose the remuneration details of each of its directors and the five most highly paid executives with the greatest authority for managing the strategic direction and operational management of the Company.

The following were key management personnel of the consolidated entity at any time during the reporting period and unless otherwise indicated were key management personnel for the entire period.

Directors	Position
Robert Wright (appointed 18.3.05)	Non-Executive Chairman
Graham Spurling	Non-Executive Director
Brenton Fuller	Managing Director
Trefor Clayton	Finance Director/Company Secretary
Su-Ming Wong (Resigned 17.3.05)	Non-Executive Director
Andrew Savage (Resigned 17.3.05)	Non-Executive Director

Executives	Position
Andrew Angus	Executive General Manager, Marketing
Graham Eastick	Executive General Manager, Logistics Division
Martyn Isbell	Executive General Manager, Office Division 11/05 – Present Executive General Manager, Distribution Network 03/05 – 11/05
Frank Johnstone	Managing Director, Asia/Middle East
Jeff Laidlaw	Executive General Manager, Operations (Kings Park)

Remuneration Components

The Company recognises the importance of providing balanced remuneration packages which take account of the Company's short and longer term circumstances and plans. To this extent, as a recently listed entity, the Company plans to implement an equity-based remuneration component which will complement existing remuneration components which currently include:

- Fixed fees or salary
- Short term incentive bonuses (STI)

Fixed Remuneration

Fixed remuneration consists of base salaries paid to executives and fees paid to non-executive directors. Base salaries are calculated as a total cost to the Company basis and includes company superannuation contributions and benefits (such as a motor vehicle), including fringe benefits tax.

22 KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

Non-Executive Directors

The fees paid to non-executive directors are periodically reviewed by the Board Nomination and Remuneration Committee. Advice may be sought from external advisors to determine appropriate fixed fees with reference to allocations made to non-executive directors in similar organisations and commensurate with the amount of time which each non-executive director allocates to Company matters. The fees paid to non-executives are within a maximum aggregated limit for which shareholder approval will be sought for any incremental changes at the Company's Annual General Meetings.

Non-executive directors' fees are set by the Board. The Board Nomination and Remuneration Committee is responsible for reviewing non-executive directors' fees. The Committee makes recommendations to the Board, taking into account:

- the Company's remuneration policy
- the time necessary to effectively discharge responsibilities and reviewing the other commitments of the non-executive directors which impact upon this
- the level of remuneration necessary to attract and retain directors of a suitable calibre
- independent professional advice

Non-executive directors are reimbursed for the cost of travel, accommodation and other expenses incurred on company business and are entitled to superannuation in accordance with statutory requirements.

Executives

The Company consults an external advisor to assist it in setting fixed remuneration structures that represent a benchmark for executive salaries in comparable organisations. The broad objective is to ensure that the fixed remuneration is pitched at median market rates.

The fixed primary benefits paid to executives include salary, bonuses, superannuation and non-monetary benefits such as motor vehicles.

At-Risk Remuneration – Short Term Incentives (STI)

The STI program involves linking specific annual performance measures with the opportunity to earn cash rewards as a percentage of fixed remuneration. The STI Plan is specifically designed to reward executives for the successful achievement of Business Unit and/or Company performance measures over the financial year.

STI performance measures for the Managing Director and the executives reporting directly to him are determined annually by the Board to reflect the strategic business objectives of the Company. The particular STI performance objectives which an individual executive will be expected to achieve as part of his at-risk remuneration will vary according to his role and responsibilities within the organisation. This information is outlined in relation to the information provided on specified executives, below. Broadly, the STI Plan is based on indicators such as quantifiable financial goals set by the Board of directors linked to Company profit and cash flow.

Performance Measures under the STI

The STI performance measures have been selected to provide a financial incentive to executives to improve the Company's performance and its productivity. The performance measures are based on the achievement of:

- Earnings Before Interest and Tax (EBIT Actual) v Plan; and
- Operating Cash Flow Actual v Plan

Financial measures are based on the Company's financial results for the full financial year. The achievement of STI performance measures is assessed and determined by the Board. Bonuses are paid as a portion of total remuneration as at the end of the financial year.

22 KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

STI Conditions

The conditions of the STI program are:

- Performance criteria are based on the audited statutory accounts of the Company for the full financial year
- STI payments range from 30% to a maximum of 50% of total remuneration on attainment 120% of the Plan for EBITDA and Operating cashflow. Pro rata STI payments do not apply in the event that Plan EBITDA or Operating Cashflow is exceeded by more than 20%
- Should actual EBITDA/Operating Cashflow fall between the threshold and target performance or between target and stretch performance, STI will be paid on a pro rata basis
- The STI program is self-financed, so that the profit for the purposes of calculating the STI is measured after including the impact of the STI
- No STI payments are made to an executive who ceases to be employed by the Company before the end of the financial year
- STI payments are fully taxable

The Company and Business Unit STI performance measures contain threshold (90% of plan), target (100% of plan) and stretch objectives (120% of plan). Threshold objectives must be met for any reward to be payable.

Specific Service Agreements

Service Agreements outlining the terms and conditions of employment have been entered into by the Company with executive directors and the five specified executives.

Director	Role	Contract Notice	Maximum STI % of Annual Remuneration Package (ARP)	STI Measure and Achievement
Robert Wright	Non-Executive Chairperson	N/A	N/A	N/A
Graham Spurling	Non-Executive Director	N/A	N/A	N/A
Brenton Fuller	Managing Director	12 months	Up to 50% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow.
Trefor Clayton	Finance Director/ Company Secretary	6 months	Up to 50% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

22 KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

Specific Service Agreements continued

Executives

The service agreements for the specified executives provide the following:

- In the event of termination of employment for any reason, the Specified Executives are prohibited from engaging in activity that would compete with the Company for a period of 12 months.
- The specified executives receive STI payments upon the achievement of specific performance hurdles. The STI payments will be paid to the executives within a range of 7.5% to 30%. The awarding of an STI payment is subject to achievement of quantifiable financial performance criteria such as Company/Business Unit profit and cash flow.
- Payment by the Company for common expatriate costs such as taxation advice, accommodation and return trips to the Specified Executive's home country, as well as reasonable costs for relocating back to their home country.

Executive	Role	Contract Notice	Maximum STI % of Annual Remuneration Package (ARP)	STI Measure and Achievement
Andrew Angus	Executive General Manager (Marketing)	3 months	Up to 30% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow.
Graham Eastick	Executive General Manager (Logistics Division)	3 months	Up to 30% of ARP	Logistics Division profit and operating cashflow for Dexion Limited (Australia)
Martyn Isbell	Executive General Manager (Office Division)	3 months	Up to 30% of ARP	Office Division profit and operating cashflow for Dexion Limited (Australia)
Jeff Laidlaw	Executive General Manager – Operations, (Kings Park)	6 months	Up to 30% of ARP	Quantifiable financial performance criteria linked to company profit and cash flow.
Frank Johnstone	Managing Director (Asia/Middle East)	12 months	Up to 30% of ARP	Profit and Operating Cash Flow for Dexion Asia

22 KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

Specific Service Agreements continued

Details of the remuneration paid to Directors and Specified Executives during the financial years are set out in the following table:

		Primary				Post employment	Other compensation		
	Year	Salary $	Fees $ (1)	STI $ (2)	Non-monetary benefits $	Super-annuation benefits	Termination benefits (3)	Other benefits (4)	Total (5)
Directors									
Robert Wright	2005	–	70,962	–	–	6,387	–	–	77,349
(Non-Executive Chairman)	2004	–	–	–	–	–	–	–	–
Graham Spurling	2005	–	48,750	–	–	3,713	–	105,000	157,463
(Non-Executive Director)	2004	–	25,063	–	–	–	–	–	25,063
Brenton Fuller	2005	278,949	5,000	183,725	69,471	34,887	–	173,000	745,032
	2004	246,665	3,000	172,756	59,413	48,020	–	–	529,854
Trefor Clayton	2005	209,611	4,167	109,545	–	15,411	–	–	338,734
	2004	192,809	2,500	106,250	2,854	26,787	–	–	331,200
Specified Executives									
Andrew Angus	2005	159,589	–	46,618	23,978	18,976	–	30,000	279,161
	2004	124,871	–	38,750	26,516	14,196	–	–	204,333
Graham Eastick	2005	188,709	–	61,708	–	19,186	–	30,000	299,603
	2004	171,662	–	51,210	–	14,070	–	–	236,942
Martyn Isbell	2005	135,927	–	23,403	–	12,129	–	–	171,459
	2004	124,119	–	–	28,151	12,034	597,182	–	761,486
Jeff Laidlaw	2005	182,247	4,167	49,462	–	25,341	–	–	261,217
	2004	183,557	2,500	99,325	–	25,081	–	–	310,463
Frank Johnstone	2005	162,369	–	76,855	118,303	–	–	30,000	387,527
	2004	132,988	–	69,163	86,472	–	–	–	288,623

Notes:

(1) The payment of directors' fees to Mr Fuller, Mr Clayton and Mr Laidlaw terminated upon completion of the share buy-back and the listing of Dexion Limited on the ASX on 29 April 2005, as disclosed on page 91 of the Company's Prospectus dated 18 March 2005.

(2) STI payments are paid in the first quarter of each year after meeting STI performance measures.

(3) A one-off termination payment was made to Mr Isbell upon completion of his contractual obligations as Managing Director, Dexion Integrated Systems Pty Limited on, 20 August 2004.

(4) A range of one-off bonus payments were made in the 2005 financial year, pursuant to terms and conditions of the share-buy back as disclosed to shareholders on page 91 of the Company's Prospectus. One-off bonus payments were made to Mr Fuller, Mr Spurling, Mr Angus, Mr Eastick and Mr Johnstone at this time. The total bonus payments made were fully reimbursed to the Company by existing shareholders, prior to the Company's listing.

(5) One-off bonus payments have been included in calculations of total remuneration.

(6) Mr Wong and Mr Savage did not receive remuneration for their services.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

22 KEY MANAGEMENT PERSONNEL DISCLOSURES CONTINUED

Non-Executive Directors, Executive Directors and Specified Executives shareholdings

The table below indicates the number of ordinary shares held by each specified director and executive in the Company as at April 2005 and includes their personally-related entities. Shares were purchased on market and no shares were granted as a component of remuneration during this reporting period.

Name	Balance at April 2005	Other changes during the year	Balance at the end of the year
Non-Executive Directors			
Robert Wright	20,000	0	20,000
Graham Spurling	30,000	0	30,000
Executive Directors			
Brenton Fuller	1,504,394	0	1,504,394
Trefor Clayton	1,253,663	0	1,253,663
Specified Executives			
Andrew Angus	18,000	0	18,000
Graham Eastick	0	0	0
Martyn Isbell	10,000	0	10,000
Frank Johnstone	15,000	0	15,000
Jeff Laidlaw	1,253,663	0	1,253,663

Notes:

(1) Mr Wright's securities are indirectly held by R&C Wright Super P/L Fund
(2) Mr Spurling's securities are indirectly held by Fairfield Developments Pty Ltd S/Fund a/c
(3) Mr Fuller's securities are indirectly held by BS Fuller Pty Limited as trustee for BS Fuller Superannuation Fund
(4) Mr Clayton's securities are held by the Carthona Superannuation Fund
(5) Mr Laidlaw's securities are held by the Dialark Superannuation Fund
(6) Mr Angus' securities are jointly held with Annette Angus
(7) Mr Isbell's securities are indirectly held by Jan Isbell
(8) Mr Johnstone's securities are jointly held with Paula Johnstone

23 ADDITIONAL FINANCIAL INSTRUMENTS DISCLOSURE

Exposure to credit, interest rate and currency risks arises in the normal course of the consolidated entity's business. Derivative financial instruments are used to hedge exposure to fluctuations in foreign exchange rates.

(a) Interest rate risk exposures

The consolidated entity does not enter into interest rate swaps, forward rate agreements or interest rate options to manage cash flow risks associated with the interest rates on borrowings that are floating, or to alter interest rate exposures arising from mismatches in repricing dates between assets and liabilities.

The consolidated entity's exposure to interest rate risk as at the reporting date is limited to its cash holdings of $3,850,066 (2004: $5,383,948), bank overdraft of nil (2004: nil), bank loans of $1,571,454 (2004: $2,026,890) attracting an interest rate in Malaysia of 6.5% (2004: 6.3%) and bank bills of $4,500,000 (2004: nil) attracting an interest rate of 5.9% (2004: 5.7%).

(b) Credit risk exposures

Credit risk represents the loss that would be recognised if counter parties failed to perform as contracted.

The credit risk on financial assets of the consolidated entity which have been recognised on the statement of financial position, is the carrying amount, net of any provisions, for doubtful debts.

The consolidated entity minimises concentrations of credit risk by undertaking transactions with a large number of customers.

The consolidated entity is not exposed to any individual overseas country or individual customer.

(c) Net fair values of financial assets and liabilities

The consolidated entity's financial assets and liabilities included in current assets and liabilities in the balance sheet are carried at amounts that approximate net fair value.

(d) Foreign exchange risk

The consolidated entity enters into forward foreign exchange contracts to hedge a proportion of anticipated purchase and sale commitments denominated in foreign currencies.

(e) Recognised assets and liabilities

Changes in the fair value of forward exchange contracts that economically hedge monetary assets and liabilities in foreign currencies and for which no hedge accounting is applied are recognised in the income statement. The fair value of forward exchange contracts used as economic hedges of monetary assets and liabilities in foreign currencies at 31 December 2005 was $73,112 for the consolidated entity.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

24 CONTROLLED ENTITIES

(a) Particulars in relation to controlled entities

	Country of Incorporation	Ownership interest 2005 %	2004 %
Parent entity			
Dexion Limited			
Controlled entities			
Dexion (Australia) Pty Limited	Australia	**100**	100
Dexion Asia Sdn Bhd	Malaysia	**100**	100
Dexion Hong Kong Limited	Hong Kong	**100**	100

25 CONTINGENT LIABILITIES

Secured

At balance date, bank guarantees to the value of $4,326,113 (2004: $2,957,734) have been issued in favour of certain contracts. Bank guarantees form part of the Company's bank facility detailed in note 15. The facilities are secured by way of a first registered mortgage debenture over Dexion Limited and Dexion (Australia) Pty Limited. At balance date there were no known circumstances which would give rise to a claim against any bank guarantee.

Employment contracts

Under the Company's employment contracts, executives are entitled to payment in lieu of notice of between 3 to 12 months salary if made redundant, together with the redundancy payment entitlements which range from 4 weeks salary (for a period of two years service), up to a maximum of 3 weeks salary per year of service (once the employee has served more than seven years with Dexion (Australia) Pty Limited). If the employee is 45 years of age or over, then the entitlement will be increased by 25%.

26 DISCONTINUED OPERATION

On 30 June 2004, the consolidated entity sold one of its wholly owned subsidiaries – Dexion Integrated Systems Pty Limited. The company was sold for $1,598,000 and a pre-tax gain of $442,000 was recorded after accounting for a termination payment of $393,000 to the former Managing Director of the company. The attributable income tax was $133,000 leaving a gain after tax of $310,000. The effect of the disposal was a decrease in the net assets of the consolidated entity of $762,000, excluding cash consideration received of $200,000. The net cash inflow on disposal after deducting cash disposed of was $199,900.

26 DISCONTINUED OPERATION CONTINUED

Analysis of profit and loss of the discontinued operation, gain on sale of discontinued operation and related income tax expense

	2005 $000's	2004 $000's
External revenue	–	5,234
Cost of sales	–	4,453
Gross profit	–	781
Selling expenses	–	296
Marketing expenses	–	34
Development and technical services	–	615
Borrowing costs	–	1
Administrative and other net expenses	–	522
Net loss before income tax	–	(687)
Income tax benefit	–	330
Net loss of discontinued operation after tax	–	(357)
Gain on sale of discontinued operation	–	442
Income tax expense	–	(132)
Gain on sale of discontinued operation after tax	–	310
Net loss on sale	–	(47)
Total net loss on sale of discontinued operation	–	(245)
Total tax benefit on sale of discontinued operation	–	198
	–	(47)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

26 DISCONTINUED OPERATION CONTINUED

Effect of disposal on individual assets and liabilities of the consolidated entity

	Consolidated		The Company	
	2005 $000's	2004 $000's	2005 $000's	2004 $000's
Consideration (cash)	–	473	–	–
Consideration (loan)	–	1,125	–	–
Carrying amount of disposal	–	763	–	–
Profit on disposal	–	835	–	–
Net assets of entity disposed of				
Cash	–	–	–	–
Property, plant and equipment	–	116	–	–
Inventories	–	47	–	–
Receivables	–	1,394	–	–
Prepayments and other debtors	–	155	–	–
Goodwill	–	785	–	–
Payables	–	(1,734)	–	–
	–	763	–	–

The entity was disposed of on 30 June 2004 and the operating results to that date have been included in consolidated operating profit.

The vendor loan is secured by a fixed and floating charge over the assets of the borrower. Interest is charged at a rate of 5% per annum payable quarterly in arrears.

The vendor loan had an original balance of $1,476,456 repayable in annual instalments over a period of 3 years with the final payment due on 30 June 2007. The Company agreed to a discount on the first repayment as it was paid prior to the due date. The balance outstanding is $1,181,164 at 31 December 2005.

27 SUBSEQUENT EVENTS

On 3 January 2006, Dexion (Australia) Pty Limited acquired the net assets of Spacemaster Office Systems Pty Limited, a provider of commercial office products and solutions. The total purchase consideration is subject to finalisation of Completion accounts and is approximately $1,200,000 and was comprised of goodwill of $1,000,000 and capital employed of $200,000. The effect of this transaction has not been brought to account at 31 December 2005.

In the interval between the end of the financial period and the date of this report there were no other items, transactions or events of a material and unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the consolidated entity, the results of those operations, or the state of affairs of the consolidated entity in future financial years.

28 EXPLANATION OF TRANSITION TO AIFRS

Adoption of International Financial Reporting Standards

As stated in Significant accounting policies note 1(a), these are the consolidated entity's first consolidated financial statements prepared in accordance with AIFRS.

The policies set in the Significant accounting policies section of this report have been applied in preparing the financial statements for the year ended 31 December 2005, the comparative information presented in these financial statements for the year ended 31 December 2004 and in the preparation of an opening AIFRS balance sheet at 1 January 2004 (the consolidated entity's date of transition).

In preparing its opening AIFRS balance sheet, the consolidated entity has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to AIFRS has affected the consolidated entity's financial position and financial performance is set out in the following tables and notes that accompany the tables.

No balance sheet or income statement has been included for the Company as there was no financial impact from the introduction of AIFRS.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2005

28 EXPLANATION OF TRANSITION TO AIFRS CONTINUED

Reconciliation of equity – consolidated

	1 January 2004			31 December 2004		
	Previous AGAAP $000's	Effect of transition to AIFRS $000's	AIFRS $000's	Previous AGAAP $000's	Effect of transition to AIFRS $000's	AIFRS $000's
Current Assets						
Cash assets	2,963	–	2,963	5,384	–	5,384
Receivables	29,308	–	29,308	19,141	–	19,141
Inventories	7,923	–	7,923	10,454	–	10,454
Other	723	–	723	681	–	681
Total current assets	40,917	–	40,917	35,660	–	35,660
Non-current assets						
Receivables	–	–	–	1,181	–	1,181
Property, plant & equipment [1]	6,469	191	6,660	7,775	130	7,905
Intangible assets [2]	928	–	928	46	(46)	–
Deferred tax assets [3]	1,445	–	1,445	1,276	28	1,304
Total non-current assets	8,842	191	9,033	10,278	112	10,390
Total assets	49,759	191	49,950	45,938	112	46,050
Current liabilities						
Interest bearing liabilities	–	–	–	2,027	–	2,027
Payables	16,647	–	16,647	29,833	–	29,833
Current tax liabilities	–	–	–	725	–	725
Provisions	3,393	–	3,393	2,813	–	2,813
Total current liabilities	20,040	–	20,040	35,398	–	35,398
Non-current liabilities						
Interest bearing liabilities	22,942	–	22,942	–	–	–
Provisions [4]	326	191	517	200	175	375
Deferred tax liability	278	–	278	191	–	191
Total non-current liabilities	23,546	191	23,737	391	175	566
Total liabilities	43,586	191	43,777	35,789	175	35,964
Net assets	6,173	–	6,173	10,149	(63)	10,086
Equity						
Contributed equity	2,880	–	2,880	2,880	–	2,880
Reserves	(101)	–	(101)	(211)	–	(211)
Retained earnings	3,394	–	3,394	7,480	(63)	7,417
Total equity	6,173	–	6,173	10,149	(63)	10,086

The adjustments relating to the transition to AIFRS concern primarily:

1 Provision for future dismantling costs for certain fixed assets,

2 Trademarks not able to be capitalised,

3 Tax effect of AIFRS adjustment,

4 Provision for make good costs on leased premises and dismantling costs for certain fixed assets.

28 EXPLANATION OF TRANSITION TO AIFRS CONTINUED

Reconciliation of profit for 2004 – consolidated

	31 December 2004		
	Previous AGAAP $000's	Effect of transition to AIFRS $000's	AIFRS $000's
Revenue from the sale of goods	102,027	–	102,027
Other revenues from ordinary activities	2,072	–	2,072
Total Revenue	104,099	–	104,099
Cost of goods sold	81,516	–	81,516
Selling and advertising expenses	8,133	–	8,133
Administrative expenses	4,856	–	4,856
Research & Technical Services	1,340	–	1,340
Borrowing costs	848	–	848
Carrying amount of assets sold	122	–	122
Carrying amount of controlled entity sold	763	–	763
Other expenses from ordinary activities	1,600	91 [1]	1,691
Operating profit before income tax	4,921	(91)	4,830
Income tax expense/(benefit) relating to ordinary activities	835	(28) [2]	807
Net profit / (loss)	4,086	(63)	4,023

1 Net effect on income statement from balance sheet AIFRS adjustments,
2 Tax effect of AIFRS income statement adjustments.

Reconciliations of cashflow statements for 2004

There are no material differences between the cashflow statements presented under AIFRS and the cashflow statements presented under previous AGAAP.

ASX ADDITIONAL INFORMATION

Additional information required by the Australian Stock Exchange Ltd and not shown elsewhere in this report is as follows. This information is current as at 31 December 2005.

Distribution of shareholders, by size of holding, are:

No. of Ordinary Shareholders	Shareholders
1 – 1,000	34
1,001 – 5,000	311
5,001 – 10,000	320
10,001 – 100,000	498
100,001 and over	37
	1,200

The names of substantial shareholders who have notified the Company in accordance with section 671B of the *Corporations Act 2001* are:

Substantial shareholders

Shareholder	
Perpetual Trustees Australia Limited	5,614,976
Portfolio Partners Limited and entities in the AVIVA plc Group	5,500,000
Queensland Investment Corporation	4,245,452
Commonwealth Bank of Australia and its subsidiaries	3,590,426
Perennial Value Management	2,728,000
Orion Asset Management Limited	2,705,132
	24,383,986

Twenty largest shareholders as at 31 December 2005

Name	No. of Ordinary shares held	Percentage of capital held
National Nominees Limited	4,758,110	8.80%
Queensland Investment Corporation	4,300,074	7.95%
Citicorp Nominees Pty Limited	3,558,812	6.58%
RBC Global Services Australia Nominees Pty Limited	2,839,267	5.25%
J P Morgan Nominees Australia	2,714,340	5.02%
RBC Global Services Australia Nominees Pty Limited	2,571,509	4.76%
B S Fuller Pty Ltd	1,504,394	2.78%
ANZ Nominees Limited	1,360,392	2.52%
Argo Investments Limited	1,315,000	2.43%
Mr Trefor Clayton & Mrs Janet Clayton	1,253,663	2.32%
Mr Jeff Laidlaw & Ms Pamela Kraft	1,253,663	2.32%
HSBC Custody Nominees (Australia) Limited – GSI EDA	1,135,958	2.10%
Bond Street Custodians Limited	1,003,585	1.86%
Cogent Nominees Pty Limited	946,335	1.75%
RBC Global Services Australia Nominees Pty Limited	740,510	1.37%
Powers Pty Ltd	600,000	1.11%
Gordon Merchant NO2 P/L	500,000	0.92%
Invia Custodian Pty Limited	489,999	0.91%
Westpac Custodian Nominees Limited	464,041	0.86%
Sinclair Industries	300,000	0.55%
	33,609,652	62.16%

CORPORATE DIRECTORY

ASX Listing Code:
DEX

Registered Office
Dexion Limited
23 Tattersall Road,
Kings Park NSW 2148
T +61 2 9830 5000
www.dexion.com.au

Company Secretary
Trefor Clayton

Share Registry
Link Market Services Limited
680 George Street
Sydney NSW 2000

Banker
National Australia Bank
255 George Street
Sydney NSW 2000

Lawyers
Deacons
1 Alfred Street
Circular Quay
Sydney NSW 2000

Auditor
KPMG
King Street Wharf
10 Shelley Street
Sydney NSW 2000

AUSTRALIA

New South Wales
Dexion Limited
Head Office, Manufacturing
23 Tattersall Road,
Kings Park NSW 2148
T +61 2 9830 5000
F +61 2 9830 5006

Dexion Logistics
Dexion Integrated Systems
10a Julius Avenue,
Riverside Corporate Park
North Ryde, NSW 2113
T +61 2 8875 1111
F +61 2 8875 1145

Dexion Office
87 Mars Road,
Lane Cove NSW 2066
T +61 2 9830 5000
F +61 2 9830 5006

Victoria

5 Kingston Town Close,
Oakleigh VIC 3166
T +61 3 9567 4000
F +61 3 9567 4099

Queensland
2404 Logan Road,
Eight Mile Plains QLD 4113
T +61 7 3340 1444
F +61 7 3340 1499

Western Australia
511 Abernethy Road,
Kewdale WA 6105
T +61 8 9365 5700
F +61 8 9365 5799

ASIA

Malaysia
Dexion Asia Sdn Bhd
No 9, Jalan Juruanalisis U1/35A,
Seksyen U1,
Hicom Glenmarie Ind Park 40150
Shah Alam,
Selangor Darul Ehsan,
Malaysia
T +60 3 5569 2688
F +60 3 5569 2699

Manufacturing Plant
PT 20117,
Jalan Ikan Mata Duyong,
Kampung Telok Gong,
40000 Port Klang,
Selangor Darul Ehsan,
Malaysia
T +60 3 3134 2499
F +60 3 3134 2530

Singapore
Dexion Asia Sdn Bhd
Singapore Branch
80, Genting Lane,
#03-07F,
Ruby Industrial Complex,
349565 Singapore
T +65 6842 6211
F +65 6842 6311

Hong Kong
Dexion (Hong Kong) Limited
6/F MTL Building,
Phase 11, Berth 1,
Container Port Road
Kwai Chung N.T.
Hong Kong
T +85 2 2410 8383
F +85 2 2429 8700

Visit www.dexion.com.au
for a complete list of Dexion Supply Centres and Regional Distributors

Designed and produced by FCR DEX102

WWW.DEXION.COM.AU