

NEWS RELEASE

30 April 2014

K&S Corporation Limited – Market Update

Following the completion of its recent merger with Scott Corporation Limited (“Scott Corp”), K&S Corporation (ASX: KSC) provides the following market update for the year ended 30 June 2014.

Weak trading conditions have persisted and in the current environment it is extremely difficult to accurately forecast upcoming trading conditions. However, based on currently available information K&S Corporation anticipates that underlying net profit after tax for the year ended 30 June 2014 will be approximately \$10.1 million.

Reorganisation costs and transaction costs associated with the merger with Scott Corp incurred in FY2014 amount to approximately \$1.04 million on an after tax basis.

K&S Corporation has commenced in delivering integration benefits from its recent merger with Scott Corp. K&S Corporation anticipates that annualised integration benefits in excess of \$3 million will be delivered. Scott Corp has a good business development pipeline and is expected to make a strong positive contribution to financial performance in FY2015.

K&S Corporation’s Managing Director and Chief Executive Officer, Mr Paul Sarant, said: “K&S is extremely focused on improving its underlying earnings. I look forward to the opportunity to continue to build on K&S’ reputation for providing innovative service offerings, as well as maintaining strong cost disciplines within the business.”

“With the new contracts for NZ Steel, Miraka and Sequal Lumber in New Zealand now bedding down, we expect to see an improved contribution from our New Zealand division.”

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