

## NEWS RELEASE

24 May 2016

### K&S Corporation Limited Earnings Update

K&S Corporation Limited (ASX: KSC) advises that, based on currently available information, it anticipates that the underlying profit before tax for FY16 will be in a range between \$5.0 million and \$6.0 million.

While steps have been taken to diversify and reduce the cost base of K&S Corporation's business and a number of our divisions are performing well, K&S Corporation is still experiencing challenging economic conditions in several of its key market sectors. The severe downturn in the Western Australian economy and the resources sector more broadly, the structural decline of domestic manufacturing, and reduced profitability of several of K&S Corporation's Eastern States operations have continued to provide a drag on earnings.

K&S Corporation is reviewing the carrying value of its assets having regard to the challenging economic conditions that continue to impact a number of our market sectors. It is also highly likely that K&S Corporation will need to take up a bad debt provision in respect of a significant portion of its total debtor exposure to Arrium Limited of \$12.8 million.

---

#### Further Information:

**Mr Paul Sarant**  
**Managing Director**  
**Ph: (03) 8744 3528**  
[Paul.Sarant@ksgroup.com.au](mailto:Paul.Sarant@ksgroup.com.au)

**Mr Bryan Walsh**  
**Chief Financial Officer**  
**Ph: (08) 8721 1706**  
[Bryan.Walsh@ksgroup.com.au](mailto:Bryan.Walsh@ksgroup.com.au)

K&S Corporation Limited

ABN 67 007 561 837

591 Boundary Road

Truganina Vic 3029

PO Box 57

Laverton Vic 3028

Australia

Ph (03) 8744 3500

Fax (03) 8744 3599

Website

[www.ksgroup.com.au](http://www.ksgroup.com.au)