



LEMARNE CORPORATION LIMITED  
A.C.N. 004 834 584

## **ASX ANNOUNCEMENT**

### **LEMARNE CORPORATION LIMITED ANTICIPATED 2007/2008 FULL YEAR PROFIT RESULT**

Directors of Lemarne Corporation Limited now expect the profit before tax for its continuing operations of Lemtronics Sdn Bhd and C10 Communications Pty Ltd, to be approximately \$9.0 million at 30 June 2008 compared to \$7.6 million in the previous year. After taking into account the costs associated with the divestment of Lemarne Healthcare Pty Ltd and the ValueNet business, the Group profit before tax will be approximately \$4.7 million at 30 June 2008.

Strong cash flows from continuing operations have resulted in Group funds on deposit being in the order of \$24 million at 30 June 2008.

Lemtronics continued its strong growth in 2007/2008 despite a challenging business environment and has increased its investment in new plant and equipment with the purchase of a new surface mount technology production line and test equipment. C10 Communications posted good profitable results for the year in line with the previous year's results.

As foreshadowed in the company's previous ASX announcement dated 21 May 2008, the company is reviewing its future strategic options with regard to maximizing its return to shareholders. However a review of the company's dividend franking account determined that this account had overstated the franking credits by \$1.6 million in previous years' reporting; the account is still in credit albeit at a lower level. The company is exploring the opportunity for increasing future ordinary dividends as well as the possibility of an on-market buy-back.

Overall, Lemarne is well placed to continue the growth of its core operations in 2008/2009 after concluding a successful trading year in 2007/2008.

**Brian Noxon**  
Chairman  
31 July 2008

**Peter Murphy**  
Managing Director