



Media Release

27 February 2009

Flat Glass Industries announces a loss of \$4,671,000 for the half year ended 31 December 2008

The Group made a loss after tax for the six months to 31 December 2008 of \$4,671,000.

Of this amount, \$4,288,000 constituted impairment losses, primarily concerning the metals fabrication subsidiary RTK Industries.

The directors believe that the group's market position will enable a recovery from recent losses which, while generally a result of tightening margins, have also been impacted by the following:

- Estimate of \$760,000 increased glass costs due to the sudden decline in the AUD during September/October 2008
- Estimate of \$1million fall in EBITDA of metals division due to marked slowdown in orders. Paradoxically to the point above concerning the AUD, this division had begun to lose ground to foreign manufacture during early-mid 2008 due to the strong AUD.
- Loss of budgeted \$880,000 in EBITDA due to delays in installation of machinery at Newcastle glass operation (\$100,000) and delays in shipping of machinery to new Dandenong glass facility (\$780,000).

Directors have taken necessary steps to curb payroll costs, in certain divisions/branches, at the same time as continuing to focus on expansion and growth in glass sales. The company's glass processing capacities are extensive, and will quickly respond to a rebound in construction activity in both New South Wales and Victoria.

The second half of the financial year generally does not generate the same levels of revenue or profit due to seasonal fluctuations as a result of holiday periods, especially from Christmas to Australia Day and, to a lesser extent, during the Easter – Anzac Day period. However the directors are acting to curb costs and maintain revenues and are confident of achieving results close to budget revisions.

The company is looking forward to the efficiencies which will result from new labour-saving equipment and software systems, as well as the second Melbourne glass processing facility in Dandenong.

In light of the trading loss, the Board has elected not to pay an interim dividend.

For further information please contact:

Lindsay Phillips – Chairman on (02) 9256 9937

Walter Carpenter – Chief Executive Officer on (02) 9824 0999

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Appendix 4D

Half Yearly Report to the Australian Stock Exchange

Name of Entity:	Flat Glass Industries
ABN:	84 003 173 242
Half Year Ended ("Current period")	31 December 2008
Previous Corresponding Period:	31 December 2007

Results for announcement to the market

				\$'000
Revenue from ordinary activities	down	3.0%	to	26,659
Profit from ordinary activities after tax attributable to members	down	285.6%	to	(4,671)
Net Profit for the period attributable to members	down	285.6%	to	(4,671)

Dividend Information

	Amount per share	Franked amount per share	Tax rate for franking
Interim dividend	\$nil	n/a	n/a
Prior Year Interim dividend	\$0.03	100%	30%
Record date for determining entitlements to the interim dividend	Not applicable		
Payment date for interim dividend	Not applicable		

Net Asset Backing

	Current period	Prior period
Net tangible asset backing per ordinary share(cents)	49	48
Net asset backing per ordinary share (cents)	72	89

Earnings per share ("EPS")

	Current period	Prior period
Overall Basic EPS (cents)	(16.18)	10.32
Overall Diluted EPS (cents)	(16.18)	10.32

Reference should be made to the attached Directors' Report and reviewed Half-year Financial Report for the six months ended 31 December 2008 for:

- Supplementary comments and explanation of the above figures;
- Income Statements;
- Balance Sheets;
- Cash Flow Statements;
- Statement of Changes in Equity;

Brett Crowley

Company Secretary

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