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## Appendix 4E

# Preliminary Final Report of **TMA GROUP OF COMPANIES LIMITED**

(ABN 66 006 627 087)

for the Financial Year  
Ended 30 June 2010

This Preliminary Final Report is provided to the Australian Stock Exchange (ASX) under ASX Listing Rule 4.3A.

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**TMA Group of Companies Limited**

ABN 66 006 627 087

4-6 Straits Avenue, Locked Bag 60, Granville NSW 2142

AUSTRALIA • CHINA • HONG KONG • NEW ZEALAND • PHILIPPINES • THAILAND

**understand — innovate — commit — deliver**



## TMA GROUP OF COMPANIES

Results for Announcement To The Market  
For the Financial Year Ended ('current period') 30 June 2010  
(previous corresponding period' 30 June 2009)

Revenue and Net Profit			
		Percentage Change %	Amount \$'000
Revenue	Up	23	55,190
Profit	Up	8	3,066
Profit attributable to members	Up	8	3,066

Dividends (Distributions)	Amount per security	Franked amount per security
Final dividend - Ordinary Shares - Preference Shares (cents)	Nil ¢ 0.89¢	Nil ¢ 0.27¢
Interim dividend	Nil ¢	Nil ¢
Record date for determining entitlements to the dividend:		
• Final dividend		N/A
• Interim dividend		N/A

<b>Earnings per Ordinary Fully Paid Share (EPS)</b>	<b>Current Period</b>	<b>Previous Corresponding Period</b>
Basic EPS (cents per share)	2.51	2.47
Diluted EPS (cents per share)	2.51	2.47
<b>NTA Backing</b>	<b>Current Period</b>	<b>Previous Corresponding Period</b>
Net tangible assets backing per ordinary security (cents per share)	13.5	10.9

### Brief explanation of the figures reported above:

Refer to attached commentary

***The attached financial statements and Directors' declaration have been audited***

### *Annual General Meeting*

Place: Sydney  
Date: Estimated late November 2010

**Time: TBA**

**Annual Report available (approximate date):**

**31 August 2010**

## Managing Director's Report

### OUR COMPANY

#### Review of Operations

The Group's profit before income tax for the year of \$3,978,000 compared to \$2,886,000 in the previous year.

The financial results for this year compared to last year are as follows:

	<b>30 June 2009</b>	<b>% of Sales</b>	<b>30 June 2010</b>	<b>% of Sales</b>	<b>% 09 to 10 Movement</b>
	\$'000		\$'000		
<b>Sales</b>	<b>44,888</b>		<b>55,190</b>		<b>23%</b>
EBITDA	4,754	11%	6,015	11%	27%
EBIT	3,427	8%	4,337	8%	27%
<b>Profit before tax</b>	<b>2,886</b>	<b>6%</b>	<b>3,978</b>	<b>7%</b>	<b>38%</b>
Profit after tax	2,847	6%	3,066	6%	8%

#### Commentary on the results

The Group continued its strong trend of revenue growth in 2010 with revenue increasing by 23%. This is additional to the 2009 revenue growth of 21%. Profit before tax (PBT) was up again by 38% on the previous year.

The ongoing delivery of growth by the Group continues with S E Asia and Australia & New Zealand growing by 56% and 28% respectively.

PBT increased 38% over the previous year, with improvements coming from our Australian & NZ region with growth of 11% along side a 48% reduction in the losses generated by the China business.

As the Group continues to deliver its growth and profit strategy there have been a number of significant one off costs. These include acquisition costs, management restructure costs and PCSO contract bidding and implementation costs. The underlying EBITDA, Net Profit after Tax and EPS are as follows:

	<b>30 June 2010</b>	<b>% of Sales</b>	<b>% 09 to 10 Movement</b>
	\$'000		
EBITDA	7,083	13%	49%
Profit after tax	3,814	7%	34%
EPS	\$0.0325		32%

## Review of Operations (cont'd)

Strong cash flow has resulted in a net debt falling to \$3,047,000 which represents about 16% of total equity compared to 34% in 2009. There was also significant improvement in Interest Cover (EBIT / net interest expense) to 8.1 times for the year against 5.9 times for 2009.

The strong profit result and positive cash flow generation reflects the full year impact of the initiatives taken in the previous year to underpin margins. A stronger Australian dollar coupled with these initiatives, which included selective price increases, improved purchasing terms and tight working capital controls, held through the financial year.

Our solid profit before tax growth of 38% is beginning to reflect the benefits from our continued growth and merger integration programme.

The low level of net debt positions TMA for future growth. The Group is well placed to pursue both organic growth and other complementary acquisitions.

### Australia and New Zealand

The Directors are very pleased to see the Group win major contracts from 'blue chip' customers, reinforcing TMA's reputation for product quality and service capability. Examples of our recent major contracts are-

#### - Coles Label Contract

The Group announced on 27 July 2010 that TMA Australia Pty Limited, has won a new contract to supply in store and distribution centre self adhesive labels to the Coles Division of Wesfarmers Limited (ASX code WES). The contract term is for a period of up to five years which represents a significant expansion of TMA's labels business. Initial estimates indicate that the contract will generate revenue of approximately \$7 million per annum.

#### - Qantas Print Management

The Group announced on 18 August 2010 that TMA Australia Pty Limited has been awarded the Qantas Print Management Contract, related to the procurement, execution and delivery of all printed matters for Qantas Airways Limited (ASX:QAN).

The 2 year agreement, with a 1 year option, is expected to generate up to \$10 million of annual revenue for the Group and is in addition to TMA's existing contract with Qantas.

#### - Perth Airport

The Group announced on 25 August 2010 that TMA Australia Pty Limited has been awarded the contract to supply and install car park access and control equipment at Perth Airport.

This contract is to supply and install the latest technology in parking equipment including licence plate recognition, online reservation system and the new print @ home ticket for customers and will generate revenue of up to \$4 million during the current financial year.

TMA Australia Pty Limited has also secured an ongoing preventative maintenance agreement as part of the contract.

## Review of Operations (cont'd)

### - Acquisitions

In addition to the organic growth the Group expects to continue to pursue new business opportunities like the acquisition of Premier Business Group which will bring estimated annual sales of AUD7 million to the Group with a strong EBITDA margin of 15%, prior to synergies.

Premier will provide further diversification of TMA's manufacturing capability whilst also adding products and broadening the scope of TMA. We anticipate significant synergies with our existing operation in New Zealand which will be extracted without any further investment cost to TMA.

### Philippines

The joint venture with the Philippines Charity and Sweepstakes Organisation "PCSO" as announced on 18 December 2009, has effectively commenced from 1 July 2010 with similar volumes to the old agreements. September 2011 remains the time that the full contract will transition to us which is expected to effectively increase our volume by a factor of 3 to 4 times our current volumes.

The agreement provides for a profit sharing joint venture (JV) between the PCSO and TMA, with the JV to establish the first thermal coating plant in the Philippines and to provide all of the required consumables used by the PCSO in all current and future gaming activities. Under the JV, TMA will retain 80% of the JV's profit and the PCSO will receive 20%.

This new agreement will provide a number of benefits to the Group. In particular it will:

- Secure our long term business in the Philippines;
- Significantly increase the volume of business in the Philippines;
- Improve our operating margins for the direct product supplied into the Philippines;

Additionally:

- This Joint Venture resides directly with the PCSO with no involvement of any third party intermediaries; and
- Being the first thermal coating plant in the Philippines, this opens opportunities for us to participate in the broader Philippines and S E Asian markets.

This Joint Venture represents a significant milestone and achievement in securing the long term growth and profitability of the Group.

### Our China Result

TMA continues to invest a significant amount of time and money on the China business. As a result of these activities the China business has incurred a loss of \$542,000 down from \$1,046,000 for the previous financial year. While this is a disappointing result, it is critical to understand that this has been driven by the need to restructure and reposition our products and market position in China to create the right base for the future growth and profitability.

### Our People

Our people are the heart of our organisation and the key to its ongoing success. I would like to acknowledge and thank all our staff for their continual commitment, understanding and hard work.

## Review of Operations (cont'd)

### Outlook

In line with our recent ASX releases, TMA expects our revenues will continue to grow by more than 15% each year for the next 2 years. It is also expected that our profit will continue to grow and improve as the ongoing process of business improvement and synergies are realised.

The FY10-11 growth will come from the new work for Coles and Qantas along with the acquisition of TTM and Premier Business Group; the following year's growth being underpinned by the Philippine Charity Sweepstakes Organisation (PCSO).

TMA continues to maintain its strong focus on profitable organic and acquisition growth.

### Subsequent Events

TMA has signed a share sale agreement to purchase Premier Business Group ("Premier") in New Zealand with an expected completion date of 30 September 2010.

As advised in our ASX release dated 23 August 2010, Premier is expected to add estimated annual sales of AUD7 million to the Group with a strong EBITDA margin of 15%, prior to synergies. The business has been acquired at a multiple of less than four times EBITDA with part of the consideration deferred over two years.

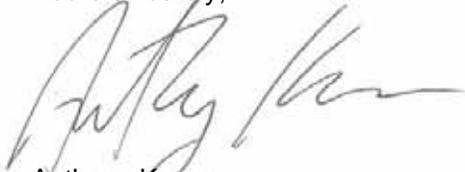
TMA also advise that we have completed negotiations to both increase and renew our banking facilities with the National Australia Bank (NAB) for a further 3 years.

No other matter or circumstance, other than that referred to in the financial statements or notes thereto, has arisen since the end of the financial year, that has significantly affected, or may significantly affect, the operations of the Group, the results of those operations, or the state of affairs of the Group in future financial years.

### Future Developments

Disclosure of information regarding likely developments in the operations of the Group in future financial years and the expected results of those operations is likely to result in unreasonable prejudice to the Group. Accordingly, this information has not been disclosed in this report.

Yours sincerely,



Anthony Karam  
Managing Director