

# Corporate Express Australia Limited

Additional Information Required by ASX Appendix 4F

Lodged with the ASX under Listing Rule 4.4A.

Financial Report for the 12 Months ended 31 December 2008  
(unaudited)

## Contents

Results for Announcement to the Market	2
Yearly report	3 - 10
Supplementary Appendix 4F Information	11

# Corporate Express Australia Limited

## Year ended 31 December 2008

### Results for Announcement to the Market Unaudited

				<b>\$ 000's</b>
<b>Total revenue</b> from ordinary activities (Unaudited)	Down	0.2%	to	1,302,109
<b>Profit</b> from ordinary activities after tax attributable to members (Unaudited)	Down	9.7%	to	61,414
<b>Profit</b> for the period attributable to members (Unaudited)	Down	9.7%	to	61,414

<b>Dividends/distributions</b>	Amount per security	Franked amount per security
Interim dividend relating to the 2008 financial year that was paid on 8 October 2008.	13.5c	13.5c
Final dividend declared with a record date of 26 March 2009 and an expected payment date of 16 April 2009. This was not provided for in the yearly financial report as the dividend was approved and declared by the directors after 31 December 2008.	13.0c	13.0c

# Corporate Express Australia Limited ABN 94 000 728 398

## Yearly report – 31 December 2008

<b>Contents</b>	<b>Page</b>
Consolidated income statement	4
Consolidated balance sheet	5
Consolidated statement of changes in equity	6
Consolidated cash flow statement	7
Notes to the consolidated financial statements	8 – 10

This financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2007 and any public announcements made by Corporate Express Australia Limited during the interim reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Stock Exchange.

**Consolidated income statement**  
For the year ended 31 December 2008

	<b>Year ended 31 December</b>	
	Unaudited	
	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
<b>Total revenue from continuing operations</b>	<b>1,302,109</b>	1,304,211
Revenue from sales of goods	<b>1,247,527</b>	1,255,533
Cost of sales of goods	<b>(918,519)</b>	(928,390)
	<b>329,008</b>	327,143
Revenue from sales of services	<b>46,368</b>	41,595
Direct cost of sales of services	<b>(15,677)</b>	(15,948)
	<b>30,691</b>	25,646
Gross profit	<b>359,699</b>	352,790
Other revenues from continuing operations	<b>8,214</b>	7,083
Other expenses from continuing operations		
Distribution	<b>(48,841)</b>	(47,062)
Occupancy	<b>(19,227)</b>	(19,211)
Selling / marketing	<b>(106,115)</b>	(103,249)
Administration	<b>(59,126)</b>	(57,905)
Other	<b>(27,582)</b>	(25,796)
Head office / warehouse relocation	<b>(6,549)</b>	-
Finance costs	<b>(12,780)</b>	(9,228)
<b>Profit before income tax</b>	<b>87,693</b>	97,422
Income tax expense	<b>(26,279)</b>	(29,383)
<b>Profit attributable to members of Corporate Express Australia Limited</b>	<b>61,414</b>	68,039
	<b>Cents</b>	Cents
Basic earnings per share	<b>36.6</b>	39.6
Diluted earnings per share	<b>36.3</b>	39.3

*The above consolidated income statement should be read in conjunction with the accompanying notes.*

**Consolidated balance sheet**  
As at 31 December 2008

	<b>31 December 2008 \$'000</b>	31 December 2007 \$'000
	Unaudited	
<b>Current assets</b>		
Cash	13,328	14,487
Receivables	208,768	202,375
Inventories	106,590	98,059
Current intangible assets	2,309	2,371
Other	8	1,011
Total current assets	<b>331,003</b>	318,303
<b>Non-current assets</b>		
Property, plant and equipment	48,424	28,697
Intangible assets	156,435	148,859
Deferred tax assets	15,942	11,648
Other	-	833
Total non-current assets	<b>220,801</b>	190,037
<b>Total assets</b>	<b>551,804</b>	508,340
<b>Current liabilities</b>		
Payables	159,515	157,274
Interest bearing liabilities	14	50,176
Deferred income	16,528	15,918
Current tax liabilities	5,383	9,916
Provisions	7,123	7,214
Deferred lease incentive	815	-
Total current liabilities	<b>189,378</b>	240,498
<b>Non-current liabilities</b>		
Interest bearing liabilities	169,424	93,908
Deferred tax liabilities	2,131	3,441
Provisions	7,784	7,309
Deferred lease incentive	7,200	-
Total non-current liabilities	<b>186,539</b>	104,658
<b>Total liabilities</b>	<b>375,917</b>	345,156
<b>Net assets</b>	<b>175,887</b>	163,184
<b>Equity</b>		
Contributed equity	50,676	50,375
Reserves	(1,357)	3,217
Retained profits	126,568	109,592
<b>Total equity</b>	<b>175,887</b>	163,184

*The above consolidated balance sheet should be read in conjunction with the accompanying notes.*

**Consolidated statement of changes in equity**  
As at 31 December 2008

	<b>Year ended</b>	
	<b>31 December</b>	31 December
	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
	Unaudited	
<b>Total equity at the beginning of the year</b>	<b>163,184</b>	229,414
Net movement in cash flow hedging reserve	(4,535)	869
Exchange differences on translation of foreign operations	(547)	(144)
Net (loss)/ income recognised directly in equity	(5,082)	725
Profit for the year	<b>61,414</b>	68,039
<b>Total recognised income and expense for the year</b>	<b>56,332</b>	68,764
<b>Transactions with equity holders in their capacity as equity holders</b>		
Equity securities issued for consideration	<b>381</b>	752
Equity securities bought back	-	(90,582)
Income tax on items taken directly to or transferred from equity	<b>(80)</b>	-
Dividends provided for or paid	<b>(44,438)</b>	(45,680)
Net movement in share based payment reserve	<b>508</b>	516
<b>Total transactions with equity holders in their capacity as equity holders</b>	<b>(43,629)</b>	(134,994)
<b>Total equity at the end of the year</b>	<b>175,887</b>	163,184

*The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes*

**Consolidated cash flow statement**  
For the year ended 31 December 2008

	<b>Year ended</b>	
	<b>31 December</b>	
	<b>2008</b>	2007
	<b>\$'000</b>	\$'000
	Unaudited	
<b>Cash flows from operating activities</b>		
Receipts from customers (inclusive of goods and services tax)	<b>1,426,703</b>	1,422,562
Payments to suppliers and employees (inclusive of goods and services tax)	<b>(1,322,741)</b>	(1,317,979)
	<b>103,962</b>	104,583
Interest received	<b>2,593</b>	2,043
Interest paid	<b>(13,070)</b>	(9,105)
Income taxes paid	<b>(34,192)</b>	(25,731)
<b>Net cash inflow from operating activities</b>	<b>59,293</b>	71,790
<b>Cash flows from investing activities</b>		
Payment for businesses purchased	<b>(1,125)</b>	(9,144)
Payment for intangible assets	<b>(15,744)</b>	(5,724)
Payments for property, plant and equipment	<b>(25,206)</b>	(10,227)
Proceeds from sale of property, plant and equipment	<b>67</b>	228
<b>Net cash (outflow) from investing activities</b>	<b>(42,008)</b>	(24,867)
<b>Cash flows from financing activities</b>		
Proceeds from issues of shares	<b>381</b>	752
Payment for buy-back	<b>-</b>	(90,823)
Proceeds from borrowings	<b>188,234</b>	407,404
Repayment of borrowings	<b>(162,621)</b>	(318,499)
Dividends paid	<b>(44,438)</b>	(45,680)
<b>Net cash (outflow) from financing activities</b>	<b>(18,444)</b>	(46,846)
<b>Net (decrease)/ increase in cash held</b>	<b>(1,159)</b>	77
Cash at the beginning of the year	<b>14,487</b>	14,410
<b>Cash at the end of the year</b>	<b>13,328</b>	14,487

*The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.*

## Note 1. Summary of significant accounting policies

This general purpose financial report for the reporting period ended 31 December 2008 has been prepared in accordance with Accounting Standard AASB 134 *Interim Financial Reporting* and the Corporations Act 2001.

This preliminary financial report does not include all the notes of the type normally included in an annual financial report. Accordingly, this report is to be read in conjunction with the annual report for the year ended 31 December 2007 and any public announcements made by Corporate Express Australia Limited during the reporting period in accordance with the continuous disclosure requirements of the Corporations Act 2001 and the Australian Stock Exchange. The accounting policies adopted are consistent with those of the previous financial year and corresponding interim reporting period. In certain cases, prior year figures have been restated to enhance comparability.

The company is of a kind referred to in Class Order 98/0100, issued by the Australian Securities & Investments Commission, relating to the "rounding off" of amounts in the financial report. Amounts in this year financial report have been rounded off in accordance with that Class Order to the nearest thousand dollars, or in certain cases, to the nearest dollar.

## Note 2. Segment information

### Primary reporting – geographic segments

	Year 31 December 2008			Year 31 December 2007		
	Australia \$'000	New Zealand \$'000	Consolidated \$'000	Australia \$'000	New Zealand \$'000	Consolidated \$'000
Revenue from sale of goods	1,159,858	87,669	1,247,527	1,170,478	85,055	1,255,533
Revenue from sale of services	45,423	945	46,368	40,707	888	41,595
Other revenues from continuing operations	7,824	390	8,214	6,692	391	7,083
Total segment revenue from ordinary activities	<u>1,213,105</u>	<u>89,004</u>	<u>1,302,109</u>	<u>1,217,877</u>	<u>86,334</u>	<u>1,304,211</u>
Segment result (earnings before interest and taxation)*	<u>93,966</u>	<u>3,915</u>	<u>97,881</u>	<u>101,395</u>	<u>3,212</u>	<u>104,607</u>

Corporate Express operates in one industry segment, being the distribution and sale of office products in the geographic segments of Australia and New Zealand. There are no material inter-segment sales.

\*Adjusted for the elimination of inter-segment transactions that affect individual segment results such as inter-segment management fees that eliminate on group consolidation.

## Note 3. Profit from continuing operations after income tax

	Year ended 31 December	
	2008 \$'000	2007 \$'000
Profit from continuing operations after related income tax expense includes the following items of expense which, together with other disclosures in the report, are relevant in explaining the financial performance for the year		
<b>Profit before income tax</b>	<b>87,693</b>	97,422
Amortisation of intangible assets (excluding catalogue intangible amortisation)	<b>7,306</b>	7,058
Depreciation	<b>9,431</b>	9,336
Interest income	<b>(2,592)</b>	(2,043)
Finance costs	<b>12,780</b>	9,228
<b>Earnings before interest, tax, depreciation and amortisation (EBITDA)</b>	<b><u>114,618</u></b>	<u>121,001</u>

## Note 4. Dividends

	Year 31 December	
	2008	2007
	\$'000	\$'000
<b>Ordinary shares</b>		
Fully franked dividends paid during this year relating to the prior and current financial year	<b>44,438</b>	45,680

## Note 5. Equity securities issued

	No of shares	No of shares
	31 December	31 December
	2008	2007
<b>Ordinary Shares</b>		
Ordinary Shares at the end of the reporting period	<b>167,760,705</b>	167,627,267
	<b>No of shares</b>	<b>\$'000s</b>
<b>Reconciliation of issued ordinary shares and the contributed equity account</b>		
Opening balance as at 1 January 2008	<b>167,627,267</b>	<b>50,375</b>
Issued under the Corporate Express Long Term Incentive Plan	<b>133,438</b>	<b>381</b>
Income tax on items taken directly to or transferred from equity	-	(80)
Closing balance as at 31 December 2008	<b>167,760,705</b>	<b>50,676</b>

## **Note 5. Equity securities issued (Continued)**

<b>Options</b>	<b>No of options</b>	<b>Exercise prices</b>	<b>Exercise/Lapse Dates</b>
Options at the end of the reporting period	<b>2,131,873</b>		
- 1 option for 2 shares (a)	93,925	\$2.40 - \$9.34	01/07/99 – 01/07/11
- 1 option for 1 share (b)	2,037,948	\$0.00 - \$4.95	30/07/02 – 02/07/18
Options exercised during the period	<b>101,719</b>		
- 1 option for 2 shares (a)	31,719	\$2.40 - \$4.36	31/12/99 – 01/07/09
- 1 option for 1 shares (b)	70,000	\$4.28	01/07/05 – 30/06/12
Options expired/lapsed during the period	-		
- 1 option for 2 shares (a)	-	-	-
- 1 option for 1 shares (b)	38,409	-	19/05/07 – 02/07/18

(a) Entitles the option holder to two shares for each option held/exercised

(b) Entitles the option holder to one share for each option held/exercised

## **Note 6. Contingent liabilities and contingent assets**

The group has no material contingent liabilities or contingent assets that require disclosure in the year report.

## **Note 7. Events occurring after reporting date**

There were no material events occurring after the reporting date that would require recognition or disclosure in the preliminary report.

# Corporate Express Australia Limited

## Supplementary Appendix 4F information

### NTA Backing

	31 December 2008	31 December 2007
Net tangible asset backing per ordinary share	8.7 cents	7.1 cents

### Businesses acquired

Nil
-----

### Additional dividend information

Details of dividends declared or paid during the year ended 31 December 2008 are as follows:

Record date	Payment date	Type	Amount per security	Total dividend \$'000	Franked amount per security
21 February 2008	13 March 2008	Final 2007	13.0c	21,792	13.0c
17 September 2008	8 October 2008	Interim 2008	13.5c	22,646	13.5c