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M^cGRATHNICOL



WORKING
CAPITAL
REPORT
2013



Australia's better-performing management teams have re-focussed on working capital management to drive better cash flow in the past 12 months.

Welcome

Welcome to the 2013 McGrathNicol Working Capital Report, prepared by our Cash and Working Capital Management team. This report profiles the working capital performance of a sample of 80 companies across the Construction and Engineering, Retail, Media and Leisure, Building Products and Utilities sectors.

The combined market capitalisation of the companies included is \$112.2 billion, representing 46% of the total for the selected sectors. The information is based on the most recent full-year results for 2013, compared to 2012 results.

Overall, the amount of cash tied up in working capital fell in 2013 compared to 2012 as some management teams tightened up processes, but there were varying results across companies and sectors. The following pages include our analysis for each sector, which we hope you find useful.

Information about our Cash and Working Capital Management "Centre of Excellence", including contact details is provided at the end of the report.

Summary

Average Days Working Capital ("DWC") in 2013 was 54.4 days, representing a 3.6 day reduction from 2012, "unlocking" \$1.4 billion in cash for investment, distribution and debt reduction.

As shown in the table below, the improvement was driven by a:

- + 5.1 day reduction in debtor days – releasing \$2.1 billion of cash; and
- + 3.5 day reduction in inventory days – releasing \$1 billion of cash.

This means that, on average, management teams were able to generate comparatively more cash through more efficient debtor and inventory management processes. The additional cash was used in part to pay creditors more quickly than in 2012, where we noted a marked "stretching" of creditor terms. Average creditor days fell by 6 days meaning that supply arrangements were more secure and the "strain" on suppliers eased somewhat.

Report Sample

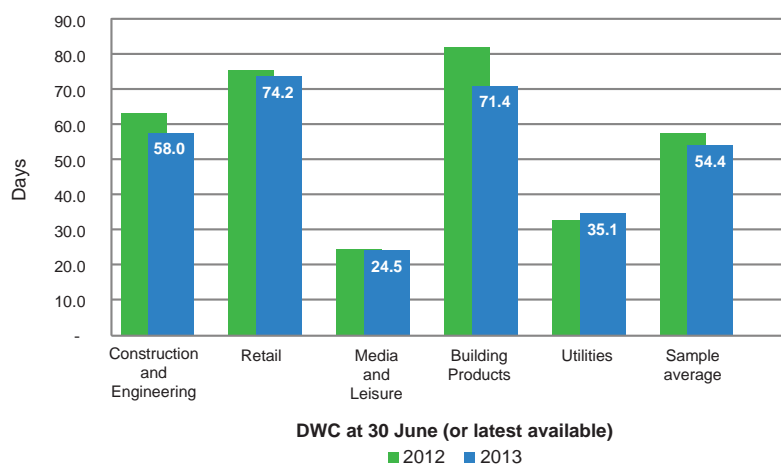
Days ¹	2012	2013	Change
DSO	62.6	57.5	(5.1)
DIO	55.4	51.9	(3.5)
DPO	66.5	60.5	(6.0)
DWC	58.0	54.4	(3.6)

By sector, the biggest improvements were achieved in the Building Products and Construction and Engineering sectors. As shown in the graph below, only the Utilities sector showed an increase in average DWC.

While there was an overall reduction in net working capital, results were mixed with 44% of profiled companies reporting an increase in metrics.

The following pages highlight the stronger performers (relative to their prior year performance) in each sector.

Average DWC by sector



¹ DSO = Days sales outstanding (debtors), DIO = Days inventory outstanding (inventory held), DPO = Days purchases outstanding (creditors), DWC = Days working capital (net working capital) For details of the basis of preparation and calculations, see page 9.

Construction and Engineering



Activity in the Construction and Engineering sector continued to be fragmented during 2013 due to global uncertainty over demand for minerals resulting in major mining and resources projects being put on hold. As a positive, there have been encouraging signs recently in the residential building market and through an increasing pipeline of infrastructure projects. Consistent with the variable market conditions, most participants have experienced high competition, declining margins, and constrained access to project finance.

The challenges in the sector have forced management teams to look more closely at internal processes and controls, with many now focussed on cost rationalisation, cash flow and working capital. The latter has resulted in an improvement in average DWC across the sample group (27 companies) which at 58 days is 5.6 days lower than the prior year due predominantly to an 11.2 day improvement in DSO. Of the sample group, 74% of companies were able to reduce their DSO metrics.

Construction and large scale engineering projects are typically working capital intensive on account of the substantial level of debtors and work in progress that can be tied up on large contracts, often exacerbated by significant pressure to pay suppliers and subcontractors that are on shorter terms. Accordingly it has been imperative for management teams to be cash focused when monitoring progress claims, variations, invoicing and cash collection.

Strong performers in the sector included Macmahon (which sold its construction business during the period), Clough, Transfield Services and Southern Cross Electrical Engineering, the latter achieving a marked improvement in DWC from 82.3 days in 2012 to 67.2 days in 2013 underpinning a \$22.4 million increase in operating cash flow. With access to this additional cash, the company was able to fund capital expenditure of \$18.5 million on P&E and systems upgrades.

There was still a wide range of results in the sector with 26% of the sample companies experiencing an increase in DWC, showing that there is potential for further improvement.

Construction and Engineering

Days	2012	2013	Change
DSO	73.6	62.4	(11.2)
DIO	25.9	30.7	4.8
DPO	44.7	37.0	(7.7)
DWC	63.6	58.0	(5.6)

Best and worst - 2013

Days	Best	Worst	Spread
DSO	29.7	104.1	74.4
DIO	-	129.9	129.9
DPO	146.3	4.6	141.7
DWC	(9.8)	123.8	133.6

"We've made some structural changes to our working capital management and the implementation of our ERP system is certainly helping in that process. We're also very much focused on cash flow and working capital in all our new contract bids"

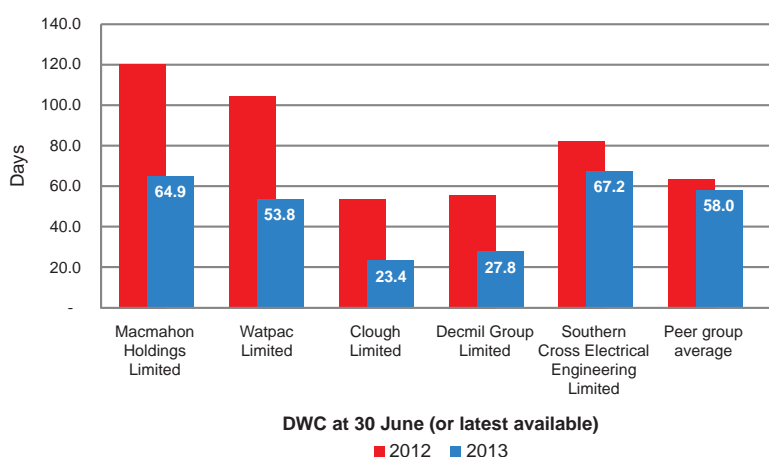
Graeme Hunt

Chief Executive Officer
Transfield Services

Transfield Services

Days	2012	2013	Change
DSO	64.2	51.3	(12.9)
DIO	20.9	28.1	7.2
DPO	54.8	55.9	1.1
DWC	34.3	26.4	(7.9)

Top 5 DWC improvements Construction and Engineering





Retail

Australian retailers have suffered from subdued market conditions over the last three years as consumers have experienced only moderate household income growth and have remained cautious about the economic climate.

Whilst the rising Australian dollar has provided some buffer during 2013, those that have not been quick enough to respond to changing demand conditions have suffered margin erosion from heavy discounting and / or the build-up of unsaleable inventory. Both challenges typically place strain on cash flow, with inventory often a significant contributor to overall levels of working capital on a retailer's balance sheet.

Whilst our report indicates only a small improvement in the net working capital position of the Retail sample group over the past 12 months - from an average of 75.9 days to 74.2 days - there is encouraging evidence that some operators have focussed on and benefitted from better supply chain and inventory management.

All of the top five DWC performers in our sample improved their DIO metrics over the past year, with the average DIO across the sample group falling by 21 days. Specialty Fashion Group decreased its average inventory holdings by 4.9 days and net working capital by 5.1 days, driving a \$13 million increase in net operating cash flow. Oroton also increased its net operating cash flow by \$11.5 million, albeit due in part to the sale of the Ralph Lauren licence and associated working capital release, including a \$10.4 million decrease in inventory.

Notwithstanding the above, the Retail sector showed a particularly wide spread of DWC metrics, highlighting the difference in operating models and / or variability of performance between some companies in the sample group.

Retail			
Days	2012	2013	Change
DSO	44.9	47.8	2.9
DIO	141.0	120.0	(21.0)
DPO	55.2	54.4	(0.8)
DWC	75.9	74.2	(1.7)

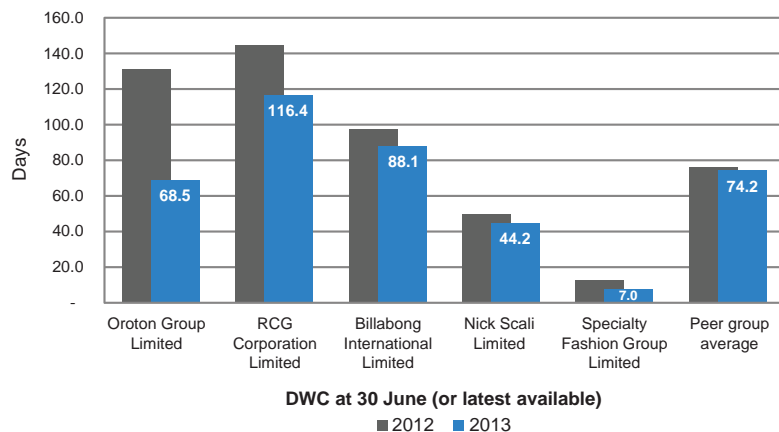
Best and worst - 2013			
Days	Best	Worst	Spread
DSO	0.5	290.8	290.3
DIO	59.9	206.2	146.3
DPO	200.0	10.8	189.2
DWC	7.0	222.2	215.2

"We have given specific focus to... a design led sourcing model, personalising our interactions with our customers. This focus has enabled the Company to navigate some difficult market conditions and finish the year profitable, highly cash generative, and with a strong balance sheet"

Gary Perlstein
Chief Executive Officer
Specialty Fashion Group

Specialty Fashion Group			
Days	2012	2013	Change
DSO	3.5	4.6	1.1
DIO	73.3	68.4	(4.9)
DPO	52.7	62.0	9.3
DWC	12.1	7.0	(5.1)

Top 5 DWC improvements - Retail



Media and Leisure

The Media and Leisure sector, particularly its television, newspaper and magazine segments, has suffered from substantial drops in advertising revenue as large consumer orientated advertisers have continued to cut back on marketing spend and consumer confidence remains tepid.

Media companies tend to have high operating leverage, meaning that without the prompt intervention of senior management, operating cash flow can fluctuate significantly in periods of revenue volatility.

Moreover, a review of our sample group indicates that Australian Media and Leisure companies also have relatively high levels of financial gearing; the average ratio of debt to EBITDA across our sample is 2.1 times, significantly higher than the 1.3 times averaged across all sectors. Stable operating cash flows are highly desirable in the circumstances, meaning that financial managers must have in place strong controls over cash and working capital management in order to service borrowings from available funds.

Average DWC across our sample of Media and Leisure companies has improved slightly over the past 12 months from an average of 24.8 days in 2012 to 24.5 days in 2013. APN News & Media Limited and Seven West Media Limited were amongst the strong performers, generating approximately \$40 million and \$55 million of cash, respectively, from year to year improvements in inventory and debtors balances.

The chart below also indicates that Village Roadshow had negative working capital and DWC in 2012 and 2013, meaning that working capital has actually been a source of funding available to the company over the past two years.



Media and Leisure

Days	2012	2013	Change
DSO	62.2	59.3	(2.9)
DIO	9.9	8.8	(1.1)
DPO	83.0	78.1	(4.9)
DWC	24.8	24.5	(0.3)

Best and worst - 2013

Days	Best	Worst	Spread
DSO	6.8	159.2	152.4
DIO	-	27.3	27.3
DPO	267.4	9.2	258.2
DWC	(44.9)	76.6	121.5

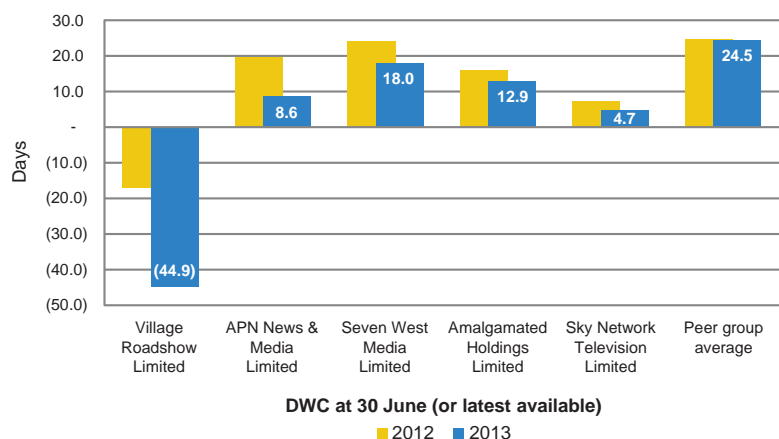
"We will continue to improve our balance sheet; our goal is to have a balance sheet that positions us to have options to pay dividends, invest for growth, or pay down debt. The businesses are achieving on many key metrics"

Michael Miller
CEO
APN News & Media

APN News & Media

Days	2012	2013	Change
DSO	73.5	55.0	(18.5)
DIO	10.1	11.1	1.0
DPO	148.3	128.1	(20.2)
DWC	19.6	8.6	(11.0)

Top 5 DWC improvements - Media and Leisure





Building Products

Consistent with the Construction and Engineering sector analysis, activity in the Building Products sector has been variable during 2013. Whilst a recovery in residential housing starts is underway, it has been gradual on the East coast and exposure to the resources sector-related investment has seen mixed results.

There has been a clear move to high-density housing over the last three years. Industry feedback suggests that these dwellings pull through about one-third of the building products volume of a detached house. Along with the greater level of import competition and associated cost pressures, this has been a key shift in the market for sector participants.

From a working capital and cash flow viewpoint, Building Products companies often contract to larger construction companies or developers whilst having a number of subcontractors and suppliers of their own to manage. As the "middle man," Building Products companies have needed to manage the demands of subcontractors seeking shorter payment terms by ensuring that processes and controls around debtors and inventory are adequate.

The above focus has been reflected in the metrics, with average DWC across our sample having decreased over the past 12 months from an average of 82.6 days in 2012 to 71.4 days in 2013. This has been driven by an 8.2 day and 9 day reduction in DSO and DIO, respectively, and allowed the companies in our sample group to pay their suppliers faster (13.9 day decrease in DPO).

Strong performers in the sector included James Hardie Industries, Fletcher Building and Hills Holdings. The latter of these reduced its net working capital by \$39.8 million during 2013 as a result of the exit of certain products and businesses, along with a focus on supply chain transformation and working capital management that contributed to a \$19.3 million reduction in inventory.

Building Products

Days	2012	2013	Change
DSO	66.3	58.1	(8.2)
DIO	84.3	75.3	(9.0)
DPO	75.2	61.3	(13.9)
DWC	82.6	71.4	(11.2)

Best and worst - 2013

Days	Best	Worst	Spread
DSO	45.7	72.7	27.0
DIO	1.9	166.2	164.3
DPO	119.6	28.2	91.4
DWC	49.5	122.4	72.9

"During FY13 we made significant progress by... focussing on operational performance improvement initiatives and cost reductions to ensure a stronger balance sheet, lower debt levels and solid cash flow"

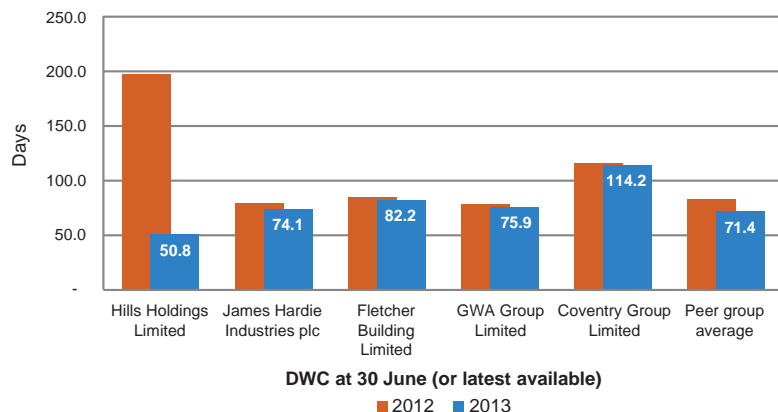
Ted Pretty

Group Managing Director & CEO
Hills Holdings

Hills Holdings

Days	2012	2013	Change
DSO	138.7	61.4	(77.3)
DIO	138.5	38.7	(99.8)
DPO	73.5	51.8	(21.7)
DWC	198.2	50.8	(147.4)

Top 5 DWC improvements - Building Products





Utilities

Despite rising power prices, market conditions remained difficult for Utilities companies in 2013 due to both demand and supply pressures. On the demand side, sector participants have faced more benign weather conditions, increased energy efficiency at the retail level and softening industrial demand whilst on the supply side, there has been increased renewable energy generation capacity.

The sector has also seen a raft of regulatory reviews and changes, which have impacted wholesale power prices but also placed a greater focus on protecting consumer interests. This has contributed to an increased “churn” of retail customers (particularly across the eastern and southern states) as competition has remained strong.

From a working capital viewpoint, conditions have reinforced the need for quality customer management, including improved service levels, billing and collection efficiencies and effective data management. Whilst the average DWC across our sample increased marginally over the past 12 months from an average of 33.1 days in 2012 to 35.1 days in 2013, there was a 1.4 day improvement in average DSO reflecting improved debtor collection efficiencies.

Strong performers in the sector included AGL, Mighty River Power and APA Group. The latter of these reduced its DSO from 84.3 days in 2012 to 48.9 days in 2013, which drove a 39 day improvement in DWC and a \$38.8 million increase in net operating cash flow (despite the impact of some significant cash payments made on its acquisition of HDF).

Utilities

Days	2012	2013	Change
DSO	58.0	56.6	(1.4)
DIO	28.4	32.1	3.7
DPO	104.3	101.7	(2.6)
DWC	33.1	35.1	2.0

Best and worst - 2013

Days	Best	Worst	Spread
DSO	30.2	80.0	49.8
DIO	-	122.1	122.1
DPO	320.3	-	320.3
DWC	14.9	68.7	53.8

“The growth in operating cash flow, up 64 percent, was a highlight of the year...the major contributors to this improvement were the incremental earnings from Loy Yang and continued improvements in debtor management”

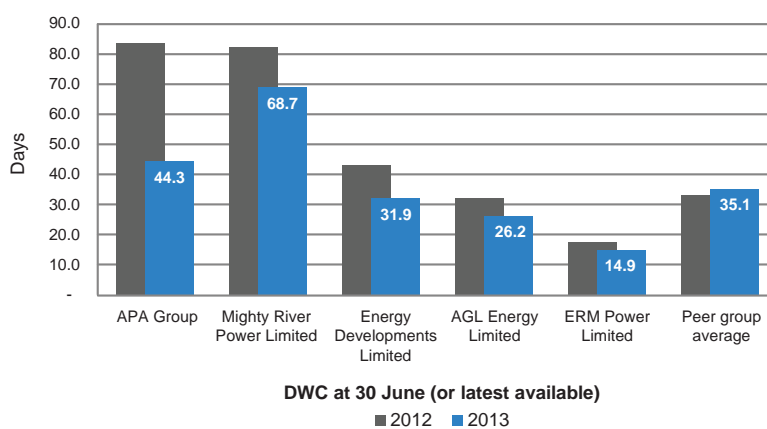
Michael Fraser

Managing Director
AGL

AGL

Days	2012	2013	Change
DSO	79.4	69.3	(10.1)
DIO	9.6	5.9	(3.7)
DPO	59.9	56.5	(3.4)
DWC	32.0	26.2	(5.8)

Top 5 DWC improvements - Utilities



Cash and Working Capital Management Team

Our Cash and Working Capital Management team assist CEOs, CFOs and their teams and Boards by:

- + developing best practice approaches to working capital management;
- + preparing robust and clear cash forecasting models; and
- + designing best practice credit control functions and associated policy statements and procedures manuals to ensure sustained working capital improvements.

Centre of Excellence

Our "Centre of Excellence" programs for CFOs and finance staff provide training and advice on best practice cash and working capital management.

If you are interested in participating or having a staff member attend a Centre of Excellence program, please contact Jason Ireland, Jason Preston or Sean Wiles.

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Basis of Preparation

Data used in this survey has been sourced from the S&P Capital IQ platform.

Accounting periods

Financial information in this report draws on most recently published accounts as at 31 October 2013. If a company has a reporting cycle ending on a date other than 31 October 2013, the most recently published financial information prior to this date has been used.

Peer group classification

The Construction and Engineering, Retail, Media, Building Products and Utilities peer group samples underpinning this report have been selected according to the Global Industry Classification Standard ("GICS") on the following basis:

Peer group sample	GICS groups included
Construction and Engineering	+ Construction and engineering + Energy equipment and services + Commercial services and supplies
Retail	+ Textiles, apparel and luxury goods + Speciality retail + Multiline retail + Household durables + Distributors
Media and Leisure	+ Media

Peer group sample	GICS groups included
Building Products	+ Building products + Construction materials + Chemicals + Trading companies and distributors
Utilities	+ Multi-utilities + Gas utilities + Electric utilities + Electrical equipment + Oil, gas and consumable fuels + Independent power producers and energy traders

The full peer group samples are included on pages 11 and 12.

Calculation Methodology

The working capital metrics referred to in this report have been calculated as follows:

<p>Days Sales Outstanding ("DSO")</p> <p>DSO is the number of days' worth of sales represented by the outstanding debtors at the relevant calculation date. The calculation used in this survey is:</p> $\text{DSO} = \frac{\text{Debtors}}{\text{Sales}} \times 365$ <p>A low DSO metric is desirable and indicates that it takes a relatively low number of days for a company to collect debtors.</p>	<p>Days Inventory Outstanding ("DIO")</p> <p>DIO is the number of days' worth of purchases represented by the inventory balances at the relevant calculation date. The calculation used in this survey is:</p> $\text{DIO} = \frac{\text{Inventory}}{\text{Cost of Sales}} \times 365$ <p>A low DIO metric is desirable and indicates a relatively high turnover of inventory.</p>
<p>Days Purchases Outstanding ("DPO")</p> <p>DPO is the number of days' worth of purchases represented by the outstanding creditors at the relevant calculation date. The calculation used in this survey is:</p> $\text{DPO} = \frac{\text{Creditors}}{\text{Cost of Sales}} \times 365$ <p>A low DPO metric indicates that it takes fewer days for a company to pay its trade creditors. A high DPO is desirable from a cash flow and working capital management perspective, but can be an indicator of tight liquidity and the cause of strained supplier relationships.</p>	<p>Days Working Capital Outstanding ("DWC")</p> <p>DWC is a relative measure of total working capital tied up in a company relative to sales. The calculation used in this survey is:</p> $\text{DWC} = \frac{\text{Debtors} + \text{Inventory} - \text{Creditors}}{\text{Revenue}} \times 365$ <p>A low DWC metric is favourable as it indicates a relatively low level of working capital relative to the size of the business.</p>

Limitations

McGrathNicol acknowledges that at the level of detail applied, the analysis has limitations, some of which are noted below. For this reason, the analysis focusses on performance relative to the prior period, rather than in absolute terms against peers.

Days sales outstanding

Debtors includes GST, whilst sales do not. To the extent that a company makes more or less of its sales in Australia (or another jurisdiction that levies a consumption tax), results will vary.

Days inventory outstanding

To the extent that a company has more or less labour included in its cost of sales, results will vary.

Days purchases outstanding

Creditors includes GST, whilst cost of sales do not. To the extent that a company acquires inventory or input services in Australia (or another jurisdiction that levies a consumption tax), results will vary.

In addition, to the extent that there has been an accounting adjustment that has affected a company's sales, purchases, debtors, inventory or creditors, this has not been isolated in the analysis and will be reflected as a change in working capital.

Source data

This publication contains high level financial information sourced from the S&P Capital IQ database of the latest available published financial statements of ASX listed entities for the 2013 financial year. The information contained herein is based on sources we believe reliable, but we do not guarantee its accuracy, and it should be understood to be general information only. The information is not intended to be taken as advice with respect to any specific organisation or situation and cannot be relied upon as such.

McGrathNicol accepts no responsibility for errors or omissions in financial information underpinning this publication, nor the loss of any person arising from use of or reliance on information herein. All readers of this publication must make their own enquires or obtain professional advice in relation to any issue or matter referred to in this publication.

Findings*

CONSTRUCTION AND ENGINEERING												
Company Name	DSO			DIO			DPO			DWC		
	2012	2013	Change	2012	2013	Change	2012	2013	Change	2012	2013	Change
Macmahon Holdings Ltd.	145.2	57.6	(87.5)	54.5	65.6	11.0	129.9	46.0	(83.9)	119.1	64.9	(54.2)
Watpac Ltd.	60.2	41.0	(19.2)	52.2	19.7	(32.5)	8.2	6.2	(2.0)	104.1	53.8	(50.3)
Clough Limited	82.0	59.1	(23.0)	-	-	-	32.2	40.2	8.0	53.5	23.4	(30.1)
Decmil Group Limited	91.9	53.7	(38.2)	-	-	-	43.0	33.3	(9.7)	55.7	27.8	(27.9)
Southern Cross Electrical Engineering Limited	97.9	82.6	(15.2)	2.4	3.9	1.5	21.7	23.6	1.9	82.3	67.2	(15.1)
Sedgman Limited	102.8	78.1	(24.8)	5.2	4.3	(1.0)	26.3	12.4	(13.8)	85.7	71.2	(14.5)
RCR Tomlinson Limited	63.0	59.7	(3.3)	19.8	14.7	(5.0)	15.4	19.5	4.1	67.0	55.4	(11.7)
Forge Group Limited	92.7	29.7	(63.0)	8.0	83.7	75.7	34.9	25.0	(9.9)	74.8	66.2	(8.6)
Transfield Services Limited	64.2	51.3	(13.0)	20.9	28.1	7.2	54.8	55.9	1.1	34.3	26.4	(7.9)
WorleyParsons Limited	94.4	86.7	(7.7)	-	-	-	20.6	18.8	(1.8)	77.3	70.6	(6.7)
Ausenco Limited	91.6	76.9	(14.6)	-	-	-	64.7	53.0	(11.7)	39.9	33.5	(6.4)
Monadelphous Group Limited	45.9	31.1	(14.8)	15.7	27.1	11.4	20.4	21.9	1.5	41.8	35.8	(6.0)
Matrix Composites & Engineering Limited	36.9	67.3	30.4	85.7	65.7	(20.0)	34.4	47.7	13.2	89.0	83.6	(5.5)
Coffey International Limited	75.2	67.5	(7.7)	-	-	-	15.1	12.1	(2.9)	62.5	57.0	(5.5)
Calibre Group Limited	53.9	55.6	1.7	16.0	7.6	(8.4)	53.6	49.4	(4.2)	28.4	24.8	(3.6)
Mastermyne Group Limited	65.7	57.9	(7.8)	13.5	17.4	3.8	66.1	38.0	(28.1)	55.6	53.8	(1.8)
NRW Holdings Limited	75.3	55.4	(19.9)	23.2	31.7	8.5	116.4	75.5	(40.9)	39.2	37.6	(1.6)
Dow ner EDI Limited	74.3	63.4	(10.9)	14.8	17.4	2.6	30.3	22.3	(8.0)	60.7	59.2	(1.5)
Lycopodium Ltd.	82.5	80.7	(1.8)	-	-	-	5.2	4.6	(0.6)	78.5	77.0	(1.5)
AJ Lucas Group Limited	41.3	48.8	7.5	53.0	54.0	1.0	51.3	63.2	11.9	42.6	42.6	0.0
Cardno Limited	66.6	62.0	(4.6)	50.9	48.5	(2.4)	48.5	39.4	(9.1)	68.6	69.8	1.2
Leighton Holdings Limited	50.7	66.5	15.7	15.5	17.8	2.3	129.9	146.3	16.4	(19.7)	(9.8)	9.9
UGL Limited	48.5	60.8	12.3	34.5	39.4	4.9	35.9	42.6	6.7	47.3	58.0	10.7
Ausdrill Ltd.	73.9	57.1	(16.7)	98.8	126.1	27.4	45.0	24.4	(20.6)	108.5	123.8	15.3
Service Stream Limited	99.7	104.1	4.4	13.0	24.3	11.3	35.8	25.5	(10.3)	86.2	103.4	17.2
Boart Longyear Limited	63.4	54.4	(9.0)	100.4	129.9	29.6	43.6	39.0	(4.6)	104.3	122.2	17.9
GR Engineering Services Limited	48.5	76.2	27.7	1.6	2.5	0.8	23.0	14.0	(9.0)	30.7	66.5	35.9
Peer group average	73.6	62.4	(11.2)	25.9	30.7	4.8	44.7	37.0	(7.6)	63.6	58.0	(5.6)

RETAIL												
Company Name	DSO			DIO			DPO			DWC		
	2012	2013	Change	2012	2013	Change	2012	2013	Change	2012	2013	Change
OrotonGroup Limited	15.5	7.1	(8.4)	437.4	206.2	(231.2)	42.8	19.3	(23.5)	130.9	68.5	(62.4)
RCG Corporation Limited	60.7	63.9	3.2	352.6	203.2	(149.4)	59.1	24.9	(34.2)	144.6	116.4	(28.1)
Billabong International Limited	66.6	58.8	(7.8)	154.7	148.3	(6.4)	90.9	88.4	(2.5)	97.2	88.1	(9.1)
Nick Scali Limited	3.7	18.3	14.6	116.2	106.5	(9.7)	-	40.6	40.6	49.2	44.2	(5.1)
Specialty Fashion Group Limited	3.5	4.6	1.1	73.3	68.4	(4.9)	52.7	62.0	9.3	12.1	7.0	(5.1)
David Jones Limited	3.1	3.7	0.6	87.2	80.0	(7.2)	42.0	41.1	(0.9)	30.6	27.1	(3.5)
Myer Holdings Limited	1.3	1.8	0.6	96.1	91.6	(4.6)	50.1	47.8	(2.4)	26.0	25.0	(1.0)
Pacific Brands Limited	40.6	41.7	1.1	125.6	127.9	2.3	61.5	60.4	(1.1)	75.0	76.3	1.3
Kathmandu Holdings Limited	3.7	3.5	(0.2)	209.7	205.8	(4.0)	28.9	20.4	(8.5)	70.2	72.0	1.9
Fantastic Holdings Ltd.	7.9	5.6	(2.3)	97.9	93.5	(4.3)	19.8	10.8	(9.0)	57.3	59.6	2.4
JB Hi-Fi Limited	6.8	7.1	0.3	63.3	59.9	(3.5)	54.0	47.1	(6.9)	14.2	17.1	2.9
Gazal Corporation Limited	19.8	17.4	(2.4)	108.8	149.8	41.0	50.3	72.5	22.2	51.1	58.6	7.5
The Reject Shop Limited	3.7	0.5	(3.2)	73.8	90.7	16.9	25.6	23.0	(2.6)	30.4	38.0	7.6
Breville Group Ltd	64.7	68.7	4.0	84.1	99.1	15.0	81.8	90.6	8.8	66.1	74.1	8.0
Cash Converters International Limited	152.3	171.4	19.0	81.1	84.4	3.3	26.7	21.1	(5.6)	170.2	193.2	23.0
Harvey Norman Holdings Ltd.	264.0	290.8	26.8	93.9	103.9	9.9	197.4	200.0	2.6	188.8	222.2	33.5
Peer group average	44.9	47.8	2.9	141.0	120.0	(21.0)	55.2	54.4	(0.8)	75.9	74.2	(1.6)

*Note: source data may contain some minor rounding errors.

Findings*

MEDIA AND LEISURE												
Company Name	DSO			DIO			DPO			DWC		
	2012	2013	Change	2012	2013	Change	2012	2013	Change	2012	2013	Change
Village Roadshow Limited	48.1	45.0	(3.1)	17.3	17.9	0.6	203.0	267.4	64.4	(17.1)	(44.9)	(27.8)
APN News & Media Ltd.	73.5	55.0	(18.5)	10.1	11.1	1.1	148.3	128.1	(20.2)	19.6	8.6	(11.0)
Seven West Media Limited	62.2	54.4	(7.8)	8.9	7.3	(1.6)	68.8	63.1	(5.8)	24.3	18.0	(6.2)
Amalgamated Holdings Limited	18.7	20.8	2.1	34.8	22.0	(12.8)	43.2	48.2	5.0	16.1	12.9	(3.2)
Sky Network Television Ltd.	28.5	28.2	(0.3)	2.5	0.7	(1.8)	42.6	45.7	3.1	7.5	4.7	(2.7)
REA Group Limited	54.1	57.0	2.9	-	-	-	21.0	38.7	17.7	48.5	47.2	(1.3)
Arden Leisure Group	5.9	6.8	0.9	28.9	27.3	(1.6)	41.9	45.5	3.7	2.2	1.5	(0.7)
STW Communications Group Ltd.	188.2	159.2	(29.0)	-	-	-	260.0	209.0	(51.0)	31.5	33.8	2.3
Ten Network Holdings Limited	59.9	73.6	13.6	-	-	-	72.8	79.6	6.7	(6.3)	(3.0)	3.3
Fairfax Media Limited	54.4	54.3	(0.1)	8.1	7.3	(0.8)	45.3	38.1	(7.2)	26.6	30.8	4.1
Southern Cross Media Group Limited	67.9	70.7	2.8	-	-	-	61.8	27.1	(34.6)	57.5	66.3	8.8
News Corporation	57.7	63.3	5.6	17.5	20.3	2.7	20.2	16.3	(3.9)	56.1	65.7	9.6
Prime Media Group Limited	89.3	83.0	(6.3)	-	-	-	49.9	9.2	(40.6)	55.3	76.6	21.3
Peer group average	62.2	59.3	(2.9)	9.9	8.8	(1.1)	83.0	78.1	(4.8)	24.8	24.5	(0.3)

BUILDING PRODUCTS												
Company Name	DSO			DIO			DPO			DWC		
	2012	2013	Change	2012	2013	Change	2012	2013	Change	2012	2013	Change
Hills Holdings Limited	138.7	61.4	(77.4)	138.5	38.7	(99.8)	73.5	51.8	(21.7)	198.2	50.8	(147.5)
James Hardie Industries plc	46.5	45.7	(0.7)	79.0	69.6	(9.4)	29.6	28.2	(1.4)	79.7	74.1	(5.6)
Fletcher Building Ltd.	62.2	59.0	(3.2)	79.1	77.8	(1.3)	49.1	46.6	(2.5)	84.7	82.2	(2.5)
GWA Group Limited	49.9	56.5	6.6	87.0	79.7	(7.3)	42.7	49.8	7.0	78.2	75.9	(2.2)
Coventry Group Ltd.	65.7	57.8	(7.9)	133.6	133.9	0.3	51.1	40.8	(10.2)	115.6	114.2	(1.4)
Boral Limited	62.7	62.2	(0.5)	69.9	64.7	(5.2)	77.4	72.1	(5.3)	57.2	56.8	(0.4)
Boom Logistics Ltd.	80.8	64.6	(16.2)	1.1	1.9	0.8	108.9	52.9	(56.0)	48.5	49.5	1.0
Adelaide Brighton Ltd.	53.8	50.9	(2.9)	55.4	56.0	0.6	42.7	38.2	(4.5)	63.6	64.6	1.1
Brickworks Limited	52.9	52.1	(0.8)	158.9	166.2	7.3	67.1	64.4	(2.8)	118.3	122.4	4.1
Reece Australia Limited	55.3	58.4	3.0	75.0	78.6	3.6	81.1	82.9	1.8	51.2	55.4	4.2
Global Construction Services Limited	73.1	72.7	(0.4)	53.2	46.5	(6.6)	184.8	119.6	(65.2)	49.6	54.6	5.0
DuluxGroup Limited	53.9	55.7	1.8	80.6	89.7	9.1	94.3	88.5	(5.8)	46.4	56.3	9.9
Peer group average	66.3	58.1	(8.2)	84.3	75.3	(9.0)	75.2	61.3	(13.9)	82.6	71.4	(11.2)

UTILITIES												
Company Name	DSO			DIO			DPO			DWC		
	2012	2013	Change	2012	2013	Change	2012	2013	Change	2012	2013	Change
APA Group	84.3	48.9	(35.4)	11.1	10.2	(0.9)	13.8	22.8	8.9	83.3	44.3	(39.1)
Mighty River Power Limited	76.3	63.3	(13.0)	10.2	10.1	(0.1)	-	-	-	82.1	68.7	(13.4)
Energy Developments Ltd.	56.2	47.6	(8.6)	40.0	58.9	18.9	64.6	88.0	23.4	43.2	31.9	(11.2)
AGL Energy Limited	79.4	69.3	(10.1)	9.6	5.9	(3.8)	59.9	56.5	(3.5)	32.0	26.2	(5.8)
ERM Power Limited	34.5	36.6	2.1	19.6	15.5	(4.1)	37.9	38.2	0.3	17.6	14.9	(2.7)
The SP AusNet group	61.6	64.9	3.3	68.9	74.5	5.7	294.2	320.3	26.0	30.7	30.6	(0.1)
Infigen Energy	32.4	30.2	(2.3)	50.0	43.3	(6.6)	77.5	59.1	(18.5)	23.4	25.4	2.0
Investra Limited	58.7	60.8	2.0	-	-	-	147.6	125.7	(21.9)	20.3	26.8	6.5
Pacific Energy Ltd.	53.3	58.1	4.8	97.1	122.1	25.0	252.5	292.9	40.4	41.2	47.8	6.7
Origin Energy Limited	67.6	71.9	4.3	7.3	7.6	0.3	83.8	69.3	(14.5)	12.8	25.0	12.3
DUET Group	37.5	47.2	9.7	16.7	18.4	1.6	108.5	45.6	(63.0)	5.3	37.8	32.5
Energy World Corp. Ltd.	54.3	80.0	25.7	10.3	18.4	8.1	111.7	102.7	(9.0)	5.2	41.3	36.0
Peer group average	58.0	56.6	(1.5)	28.4	32.1	3.7	104.3	101.7	(2.6)	33.1	35.1	2.0

*Note: source data may contain some minor rounding errors.



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