

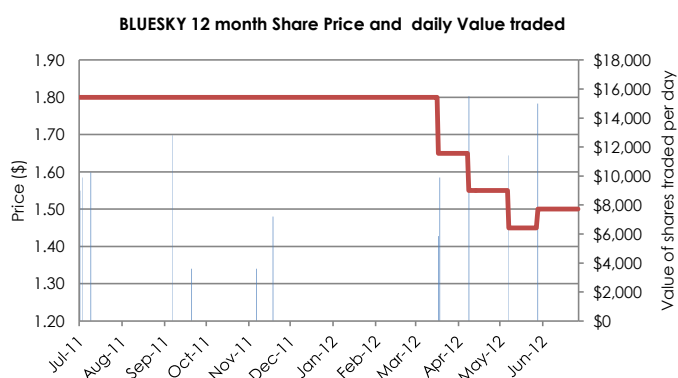
Issuer Profile



Blue Sky Meats (NZ) Limited



Code	BLUESKY
Last Price	\$1.50
Issuer Profile Date	30/06/2012
Market	Unlisted
Listed	Dec-03
Year End	31-Mar
Shares issued	11,526,098
Market Cap	\$17,289,147
Dividend yield (Gross)	0.0%
Website	www.bluesky.co.nz



Company Overview

BLUESKY's principal activities are the operation of an export food processing facility at Morton Mains, Southland, New Zealand, and the marketing and selling of meat products produced from this facility. BLUESKY was established in 1987 and continues today as a single plant and multi shift operation.

The plant is capable of processing up to 30,000 stock units per week and includes specialised boning and cutting rooms that operate 20 hours per day seven days a week at peak season. A Rendering facility was recently constructed to add a further by-product revenue stream and ensure a higher level of operational self sufficiency. The company is also in the process of constructing a skin salting operation for the same fundamental, commercial and operational reasons.

BLUESKY brands include Horizon and Star, which offer an extensive range of fresh-chilled and fresh-frozen lamb, mutton, bobby veal and goat cuts.

Financial Summary (NZ\$000's)

Financial Performance

	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12
Total Revenue	79,357	99,796	85,061	100,804	114,135
EBITDA	1,219	6,294	2,776	7,673	890
EBIT	525	5,691	1,816	6,575	(299)
EBIT Margin	0.7%	5.7%	2.1%	6.5%	(0.3%)
Net Profit/Comprehensive Income	282	4,599	576	3,539	(567)

Financial Position

Current Assets (ex cash)	28,621	35,189	31,139	54,764	50,547
Current Liabilities (ex debt)	(6,960)	(8,085)	(9,794)	(21,044)	(12,547)
Net Working Capital	21,661	27,104	21,344	33,720	38,000
Non-Current Assets	10,905	13,598	13,723	12,857	13,784
Non-Current Liabilities (ex debt)	-	(110)	-	(880)	(275)
Total Net Assets (ex cash/debt)	32,565	40,591	35,067	45,697	51,509
(Cash)	-	-	(332)	(1,675)	-
Debt	10,879	14,307	10,267	19,278	26,229
Net Debt	10,879	14,307	9,935	17,603	26,229
Shareholder Funds	21,686	26,285	25,132	28,095	25,280
Total Capital Employed	32,565	40,591	35,067	45,697	51,509
Total Assets (incl cash)	39,525	48,787	45,193	69,296	64,330

Cash Flows

Operating Cash Flows	3,919	145	7,080	(6,741)	(4,263)
Investing Cash Flows	(925)	(3,572)	(979)	(350)	(2,116)
Financing Cash Flows	(2,685)	3,619	(5,396)	8,434	3,916
Net Increase/(Decrease) in Cash	309	192	705	1,343	(2,463)

Disclaimer

The information contained in this Issuer Profile has been prepared by Armillary Private Capital ('Armillary'), on behalf of Efficient Market Services Limited ('Unlisted'). While the intention is to provide accurate information based on historical performance and market information, Armillary and Unlisted accept no liability for any errors or inaccuracies in this Issuer Profile. The reader is advised to perform their own research to confirm the accuracy of the information contained in this Issuer Profile before relying on it for any investment decision making. This Issuer Profile has been prepared as a 'class service' as defined by the Financial Advisers Act and is general in nature.

Analysis

	31-Mar-08	31-Mar-09	31-Mar-10	31-Mar-11	31-Mar-12
Investment Performance					
Closing Share Price (\$)	2.05	1.90	1.78	1.43	1.50
Annual Total Return (including net dividends)	(18.0%)	0.0%	(3.7%)	(8.7%)	4.9%
A Profitability (EBIT/Revenue)	0.7%	5.7%	2.1%	6.5%	(0.3%)
B Activity (Rev/Average Total Net Assets)	2.34	2.73	2.25	2.50	2.35
Return on Capital Employed (A x B)	1.6%	15.6%	4.8%	16.3%	(0.6%)
Return on Equity (NPAT/Average Shareholders Funds)	1.3%	19.2%	2.2%	13.3%	(2.1%)
Shares on Issue (m)	11.5	11.5	11.5	11.5	11.5
Reported Net Profit / Comprehensive Income (\$m)	0.3	4.6	0.6	3.5	(0.6)
Payout Ratio	-	37.6%	100.0%	63.5%	-
Net Dividend Yield	-	7.9%	2.8%	13.6%	-
Imputation Credits	-	100.0%	100.0%	100.0%	-
Gross Dividend Yield	-	11.8%	4.0%	19.5%	-
Per Share (cents)					
EBITDA	10.6	54.6	24.1	66.6	7.7
EPS - Basic	2.4	39.9	5.0	30.7	(4.9)
EPS - Diluted	2.4	39.9	5.0	30.7	(4.9)
Net Dividend	-	15.0	5.0	19.5	-
Net Tangible Assets	176.4	216.3	206.3	232.0	207.6
Cash Flow from Operations	34.0	1.3	61.4	(58.5)	(37.0)
Valuation (as at year end)					
Trailing P/E (multiple)	83.8	4.8	35.6	4.7	(30.5)
Market Value (\$m)	23.6	21.9	20.5	16.5	17.3
Net (Cash)/Debt (\$m)	10.9	14.3	9.9	17.6	26.2
Enterprise Value 'EV' (\$m)	34.5	36.2	30.5	34.1	43.5
EV/EBITDA (multiple)	28.3	5.8	11.0	4.4	48.9
Price/Net Tangible Assets (multiple)	1.2	0.9	0.9	0.6	0.7
Operating Ratios					
EBIT Margin	0.7%	5.7%	2.1%	6.5%	(0.3%)
NPAT Margin	0.4%	4.6%	0.7%	3.5%	(0.5%)
Net Capex to Sales	1.2%	3.6%	1.2%	0.3%	0.3%
Annual Growth Rates					
Revenue	(10.5%)	25.8%	(14.8%)	18.5%	13.2%
EBITDA	(62.0%)	416.5%	(55.9%)	176.4%	(88.4%)
NPAT	(81.6%)	1530.1%	(87.5%)	513.9%	(116.0%)
Net Assets	(7.3%)	24.6%	(13.6%)	30.3%	12.7%
Equity	(3.2%)	21.2%	(4.4%)	11.8%	(10.0%)
Capital Structure					
Equity to Total Assets	54.9%	53.9%	55.6%	40.5%	39.3%
Net Debt/(Net Debt+Equity)	33.4%	35.2%	28.3%	38.5%	50.9%
Net Debt to Equity	50.2%	54.4%	39.5%	62.7%	103.8%
Interest Cover (multiple)	2.6	105.8	12.3	115.1	(1.0)

Directors	Position	Appointed
Graham Cooney	Chair	20-Dec-91
Peter Houlker	Director	20-Dec-91
Malcolm McMillan	Director	2-Feb-96
Peter Carnahan	Director	7-Mar-96
Sarah Ottrey	Director	1-Oct-10
Scott O'Donnell	Director	29-Aug-11

Top Ten Shareholders *	Shares	Ownership
Lowe Corporation Ltd	1,994,880	17.31%
H W Richardson Group Ltd	1,663,300	14.43%
Waikiwi Casings Ltd	1,296,748	11.25%
GJ Cooney & JC Cooney as Trustees	1,100,000	9.54%
A M Greiving Limited	258,472	2.24%
G C Ward & Co	113,376	0.98%
Houlker & Monk as Trustees	100,000	0.87%
N & E Thwaites	86,302	0.75%
Mountain Scene Ltd	78,000	0.68%
Drivers Road Trust Company Ltd	70,588	0.61%
Total	6,761,666	58.66%

* As at 30 June 2012