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29 January 2003

The Manager
Company Announcements Office
Australian Stock Exchange Limited
Level 6, 20 Bridge Street
SYDNEY NSW 2000

BY FACSIMILE: 1 300 300 021

Dear Sir

ALESCO CORPORATION LIMITED RESULTS HALF YEAR ENDED 30 NOVEMBER 2002

The Directors of Alesco Corporation Limited are pleased to announce the results for the half year ended 30 November 2002. The key features of the results are:

1. Record earnings per share (eps) before goodwill amortisation and significant items of 22.5 cps, up by 20% from 18.7 cps in the same period last year, itself a previous record.
2. Net proceeds from a capital raising of \$17.6m together with strong operating cashflows reduced debt from 31 May 2002 by \$27.8m to \$40.1m at period end. Gearing at the half year stood at 32% compared to 66% at 31 May 2002.
3. Solid trading conditions and continuing operating improvement initiatives improved profitability ratios across all of our business units.
4. In line with the previously advised intention to more closely align interim and final dividends, the interim dividend has been increased to 12 cents per share compared to 9 cents per share in the comparative period.

Acquisition of Biolab Limited

The Company has entered into a binding agreement to acquire Biolab Limited, a leading distributor of scientific equipment and consumables to the scientific and biotechnology industries in both Australia and New Zealand. The initial purchase price for Biolab is NZ\$46m, which may increase to a maximum of NZ\$57m subject to the business meeting earnings targets. On a pro-forma basis for the year ended 31 December 2002 Biolab reported EBITA of NZ\$7.2 million.

Biolab is an excellent fit with the strategy of Alesco to acquire strong industrial franchises built around leading brands which have high market shares in niche markets. Biolab has experienced good revenue and profit growth over the past three years and supplies a number of end markets which have good growth potential.

Although Biolab will be run as a separate division, Alesco expects to be able to add value to the business through supply chain, productivity and information technology initiatives which have been successfully applied in existing business units. However, even in the absence of any synergies and after the completion of the proposed capital raising, Biolab is expected to be earnings per share (pre goodwill amortisation) positive for Alesco from the date of acquisition.

Proposed Capital Raising

The Company is engaged in discussions with institutions regarding a potential equity raising of up to \$25 million via a prorata priority entitlement offer comprising an institutional offer and a retail offer. Further details are expected to be released to the market by 31 January 2003. The acquisition of Biolab is not dependent on the capital raising.

Trading Environment

Comparative sales revenue is shown in the following table:

(\$ million)	Nov 02	Nov 01	% change
Building Products	81.9	77.3	6%
Earthmoving Tyres	59.9	73.9	-19%
Specialist Automotive	52.0	51.0	2%
Total	193.8	202.2	-4%

The major features of the trading environment during the period were:

1. The solid new building and renovation markets experienced in the second half of the prior year continued during the period and is reflected in the increase in revenue in the Building Products Division over the prior corresponding period.
2. Marathon was able to grow revenue by 7% after allowing for the new trading arrangements with Michelin, which reduced sales revenue by \$18 million.
3. In Specialist Automotive, a strong start to the air-conditioning season combined with good contribution from new product lines in Motorcycle drove an overall increase in revenue.

At the earnings before interest, tax and amortisation (EBITA) level, all divisions produced a result which was ahead of the first half of last year. This was due to a combination of solid trading conditions and continuing initiatives in all business units in supply chain, productivity and information technology investment. Interest expense was substantially improved on the prior year due to the lower debt balances in the period resulting from continuing strong cashflows and the capital raising in August.

Even with the additional 4.6 million shares on issue for the last three months of the period, eps before goodwill amortisation and significant items was up 20% on the prior corresponding period to a record half year result of 22.5 cents per share.

Cashflow and Gearing

Net borrowings of the Group decreased by \$27.8 million during the period to \$40.1 million. The decrease was due to strong operating cashflow, some further working capital reductions achieved through supply chain initiatives and the \$17 million capital raising undertaken in August 2002. Gearing at the end of the period stood at 31.8%, down from 66.1% at May 2002, and interest cover (EBITA/net interest expense) improved during the period to 7.3 times.

In August 2002, the company announced a \$17 million placement to institutional shareholders through the issue of 4.6 million shares at an issue price of \$3.85. The issue was substantially over-subscribed.

Dividends

Directors have announced an increased fully franked dividend of 12 cents per share, up from 9 cents per share in the prior corresponding period. The dividend is payable in respect of shares registered as at 5:00pm on 11 March 2003. The increase in dividend payment is consistent with the prior announcement by the Company of a desire to better balance the interim and final dividend payments.

The dividend re-investment plan will be retained as previously with a 5% discount to the market price.

During the half year, the final dividend (15cps) declared last year was paid. Shareholders representing approximately 26% of shareholdings participated in the dividend re-investment plan resulting in the issue of 0.4 million shares.

Outlook

Following a good result during the first half, the Company is well positioned to participate in what are expected to be continuing favourable economic conditions in the second half of this financial year. Some softening in the new housing market during the second half is expected but the company's exposure is primarily to the renovation market, and this is not expected to have a material negative impact on the Parbury business

Based on the current budget, the expectation for the second half is that eps (before goodwill amortisation and significant items) will be up on last year, but not the same level of improvement as the first half. After two months trading the second half budget is on target. On a full year basis therefore, this should produce double digit growth in eps (before goodwill amortisation and significant items) compared to last year.

On behalf of the Board.

KEVIN F CLARKE
Chief Executive

For further information please contact Kevin Clarke on 02-9495-8588.