



ASX Release – Alesco Corporation Limited (“ALS”)

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## Alesco to acquire B&D Doors & Openers

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Date: 24 May 2004

Release: 24 May 2004

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### Highlights:

- Acquisition of B&D for an initial consideration of \$230 million and an additional earn-out of up to \$25 million
- B&D is the market leader in residential garage doors and openers in Australia
- Transaction is EPS accretive (pre amortization of goodwill & significant items) by 12.5%
- Alesco to raise up to \$74 million via a rights issue, an institutional placement and an offering to B&D management

Alesco Corporation Limited (**Alesco**) today announced that it had entered into an agreement to acquire the B&D Doors and Openers business (**B&D**) from Catalyst and a number of other vendors including management. B&D is the leading manufacturer and marketer of garage doors and automatic openers for residential applications in Australia and is one of the largest in New Zealand.

Mr. Kevin Clarke, Alesco’s CEO said “Alesco has successfully built a portfolio of leading industrial brands for niche markets. With its own strong brands and with over 50% market share in both the garage door and automatic opener segments of the Australian residential housing market, B&D is an ideal fit within the Alesco group.”

“This acquisition will add to our building and renovation activities and brings well known brand names to the group including B&D doors and openers and ATA openers”, Mr. Clarke continued.

“Strong growth prospects for both doors and openers exist, with the profitable opener business benefiting from the trend towards higher levels of automation and increasing demand for repair, retrofit and replacement. Furthermore, in areas of our core competencies, we believe we can create further value for Alesco’s shareholders”, Mr. Clarke said.

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Website: www.alesco.com.au



The existing management team of B&D and the non executive Chairman will join Alesco and have agreed to subscribe for approximately 1.1 million Alesco shares at the same price as under the capital raising. Shares issued to management will be subject to a staged release holding lock for up to three years after they are acquired.

The Acquisition is unconditional and is expected to be completed on 11 June 2004.

**Consideration:**

The purchase price comprises an initial consideration of \$230 million with the potential for the vendors to earn up to an additional \$25 million if the business achieves an EBITA between \$30 million to \$36 million for the financial year ended 30 June 2005.

The acquisition is earnings accretive by 12.5% on a combined pro forma historic basis for the twelve months ended 30 November 2003 and would be more accretive if in the earn-out range is achieved.

**Capital raising**

As part of the funding for the acquisition the Board is pleased to announce a 1 for 5 non renounceable rights issue, an institutional placement and a placement to B&D management under the acquisition agreement. The issue price is expected to be in the range of \$5.60 - \$5.90 per share and is to raise approximately \$74 million (before fees and expenses). The balance of the funding will be from debt facilities with the Company's bankers.

Capital raising will have three components:

- An Institutional Entitlement Offer of approximately 5.86 million new shares to raise up to \$33.6 million;
- An Institutional Placement Offer of up to 0.70 million new shares to raise approximately \$4.0 million; and
- A Retail Entitlement Offer to all eligible Alesco shareholders in Australia and New Zealand of approximately 5.18 million new shares to raise up to \$29.9 million.

In addition, approximately 1.1 million shares will be issued to raise up to \$6.4 million.

The record date for determining entitlements is 7:00pm (EST) on Thursday, 27 May 2004.

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Persons who trade the Company's securities after the commencement of the trading halt on Monday, 24 May 2004 will not be entitled to participate in the priority entitlement issue other than registrations of transactions which were effected through SEATS before the commencement of the trading halt.

Members of the public resident in Australia and who are not current Alesco shareholders may apply for shares if existing shareholders do not take up their full entitlements.

The issue price per share will be determined by the bookbuild for the Institutional Entitlement and Institutional Placement which is expected to be finalised on Tuesday 25 May 2004, with these shares to commence trading on Wednesday 2 June 2004. The issue price will be announced on Wednesday 26 May and will also apply to the retail offer, which will open on Monday 31 May and close on Friday 18 June. Shares issued under the retail offer are expected to trade from 29 June 2004.

JP Morgan Australia Limited acted as financial advisor and have fully underwritten the capital raising. Full details of the capital raising are set out in a prospectus which was lodged today with the Australian Securities and Investments Commission.

#### **FOR FURTHER INFORMATION:**

**Mr. Kevin Clarke**

Chief Executive Officer

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**Mark Way**

Gavin Anderson & Company

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#### **CONFERENCE CALL FOR SHAREHOLDERS AND MEDIA:**

Time: 2:15pm (EST)

Number: 1-800-766-788 (Overseas participants: +61 2 8228 7003)

Access name: ALESCO

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**Alesco leading industrial brands for niche markets.**

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