



ASX Release – Alesco Corporation Limited (“ALS”)

Alesco positioned for further growth following disposal of its automotive division

Date: 15 December 2004

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Alesco Corporation Limited (Alesco) today announced that it has entered into an agreement with Repco Limited to dispose of its automotive division. The automotive division comprises two businesses: Ingram a distributor of automotive electrical, air-conditioning and diesel injection components and McLeod Accessories a wholesaler of motorcycle accessories.

Highlights of this transaction are:

- Sale proceeds of \$90.5 million
- Balance sheet relatively ungeared
- Alesco moves to a more focused portfolio of businesses

The sale proceeds are \$90.5 million and will give rise to an estimated capital profit of \$41 million before tax and approximately \$32 million after tax.

Consolidation within the automotive distribution sector has allowed Alesco to exit this market sector at an attractive price. Mr. Kevin Clarke, Alesco’s CEO said “We are pleased to achieve a sale of these businesses at a 2004 EBITA multiple of 9.6 times” (and last 12 months to 30 November 2004 EBITA multiple of 8.0 times based on unaudited management accounts). The proceeds of the sale will be used to reduce debt within the Group and will leave the balance sheet relatively ungeared.

“Following this sale, Alesco intends to focus on its portfolio of businesses in the building & construction and the scientific & medical sectors. Alesco’s balance sheet will allow the Group to take advantage of acquisition opportunities that will add value to other businesses within the

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Alesco Corporation Limited	Level 19, Tower A, Zenith Centre	Telephone: (02) 9495 8500
ABN 23 008 666 064	821 Pacific Highway	Facsimile: (02) 9495 8599
	Chatswood NSW 2067	Email: sydhq@alesco.com.au
		Website: www.alesco.com.au



portfolio.” Mr. Clarke added that “we are currently reviewing a number of options to replace the automotive division’s earnings contribution.”

In November Alesco announced that it is in discussions to acquire the Dominator garage door and opener business in New Zealand. As previously announced, clearance for the acquisition has been given by the New Zealand Commerce Commission and negotiations on key terms are still continuing between the parties.

Until the earnings are replaced, Alesco will experience a slight dilution in earnings per share compared to the market guidance given at the company’s annual general meeting in September due to the difference between the reduction in interest cost and the earnings from the automotive division.

The transaction is unconditional and is expected to be completed on 31 December 2004.

Caliburn Partnership acted as financial advisor to Alesco.

FOR FURTHER INFORMATION:

Mr. Kevin Clarke

Chief Executive Officer

Tel: (02) 9495 8588

www.alesco.com.au

Kelly Hibbins

Gavin Anderson & Company

Tel: (02) 9552 4499

Alesco leading industrial brands for niche markets.

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Alesco Corporation Limited

ABN 23 008 666 064

Level 19, Tower A, Zenith
Centre
821 Pacific Highway
Chatswood NSW 2067

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Email:

Website:

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