



**AUTODOM**

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1 September 2010

Australian Securities Exchange  
Company Announcements Office  
10<sup>th</sup> Floor  
20 Bond Street  
SYDNEY NSW 2000

Dear Sirs,

### **AUTODOM ACQUIRES DAIR INDUSTRIES**

The directors of Autodom are pleased to announce that two of its wholly owned subsidiaries have completed the acquisition of the assets of DAIR Industries, a Victorian based automotive components manufacturer.

DAIR is a highly regarded manufacturer of metal pressings and assemblies, injection and blow moulded plastic parts and cables. It is a key supplier to the Australian car manufacturers, in particular Ford and Toyota. Like Autodom DAIR has been active in recent years in acquiring and consolidating other component manufacturers.

The addition of DAIR's revenue base of \$45m will see the total revenue for Autodom approximating \$120m in the current financial year. There are considerable synergistic benefits to the acquisition and it will have an immediate positive impact on aiA's earnings. The acquisition will also add 210 people to aiA's current workforce of 280.

The acquisition was completed at a purchase cost of \$9.9m plus the assumption of approximately \$3.3m in liabilities related to employee entitlements. Funding was provided by a combination of a \$5m bridging loan provided by a Director of the Company, a grant from the Automotive Industry Structural Adjustment Program (AISAP), vendor finance and a small machinery lease package. No additional bank debt was required to complete the transaction. The bridging loan, which is at arms length and on commercial terms, will be repaid via a fully underwritten rights issue to be undertaken in the next few weeks. The final terms of the rights issue and the prospectus are currently being finalised.

The acquisition of DAIR will have many positive consequences for Autodom and its subsidiary aiAutomotive including

- a return to a level of revenue that enables profitable operations. This will counteract a decline over the past 3 years
- the addition of a highly competent and successful management team
- a more even spread of business between the three Australian car manufacturers and new business development opportunities with all three
- a more diverse product range offering
- valuable synergies to operations across 5 plants in South Australia and Victoria

Autodom plans to focus its activities in the current financial year on successfully integrating DAIR with aiAutomotive and ensuring all available synergies and opportunities are achieved.

The directors also see further consolidation opportunities within the automotive component manufacturing sector and intend to pursue these in the future.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'Tony Dale', with a stylized flourish at the end.

**Tony Dale**  
**Managing Director**