

Stokes raises \$2M to fund growth

28 October 2013, Melbourne: Stokes (Australasia) Limited (ASX:SKS) has successfully raised \$2 million to fund growth as it nears the completion of its restructuring phase.

The capital raising was completed via a placement of new shares to institutional and sophisticated investors and was managed by JM Financial Group Limited.

A total of 5,750,000 shares were placed at an issue price of \$0.35 per new share to raise \$2,012,500, which represents approximately 25% of the issued capital. The directors are particularly pleased that the issue price of \$0.35 was achieved without any discount to the company's recent share price.

Directors Peter Jinks, Con Scrinis and Greg Jinks, subject to shareholder approval at the upcoming AGM, have agreed to participate in the placement for a total of \$300K.

The new shares are expected to be allotted on 1 November 2013 and after completion the company will have a total of 29,151,281 ordinary shares on issue giving it a market capitalisation of \$10.2M at the placement price of \$0.35.

The company over the past 12 months has undergone a top-to-bottom restructuring having sold the badges business, completed four acquisitions of appliance parts and service businesses, added a technologies division, upgraded its IT systems and websites as well as large scale cost reductions and redundancies.

The funds raised will be used to retire debt in the short term and provide the necessary working capital to fund the business through its next growth phase with the service and technologies divisions expecting significant organic growth over the next 12 months.

The funding will also place Stokes in a strong position to take advantage of opportunities as they arise especially in the ongoing consolidation of the appliance parts industry.

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