



## COMPANY ANNOUNCEMENT

21 January 2009

### **Sale of Global Renewables Eastern Creek Facility completed**

GRD Limited (ASX: GRD) today announced that the sale of its Global Renewables Eastern Creek UR-3R™ Facility in Sydney has now been completed.

The sale of Eastern Creek is part of GRD's continuing efforts to ensure shareholder value is maximised and the key element of the company's program of removing operating losses and debt servicing obligations from the Global Renewables business.

On 3 December 2008, GRD and interests associated with Emergent Capital signed a conditional agreement for the sale of the Facility.

The sale is effective from 31 December 2008, with Emergent Capital taking 100 per cent equity in the companies owning and operating the Eastern Creek Facility, including approximately \$40 million in project finance debt. It is expected to be business as usual at the Eastern Creek Facility under the new owner.

GRD Limited Chief Executive Cliff Lawrenson said the exit from the business would occur at a time when the Group's core engineering and project delivery business, GRD Minproc, continues to perform solidly in the challenging world resources market.

"The removal of the requirement to continue subsidising operating losses and servicing debt at Eastern Creek allows the Group to benefit fully from the continued strong performance of GRD Minproc and will have a positive impact on cash and normalised operating profit for 2009," Mr Lawrenson said.

As a result of the sale, GRD will be required to record a once-off accounting loss on disposing the business of approximately \$50 million before tax (preliminary and subject to audit).

"The improved cash flows will give GRD flexibility to accelerate repayment of debt owing to Hastings Funds Management in relation to Global Renewables, which falls due in June 2010."

Mr Lawrenson said the sale would see Global Renewables focus on the Lancashire Waste Project in the United Kingdom, which is currently under construction and more than 50 per cent complete. GRD Minproc would continue to provide engineering and construction expertise to the project, and maintain its involvement as a provider of engineering services in the waste processing sector.

"The Lancashire PFI Project, which is fully funded, is being undertaken in partnership with Lend Lease Corporation and is a far stronger economic proposition compared with Eastern Creek through factors such as higher processing fees and more realistic landfill diversion targets" he said.

**ENDS**

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