

ASX Release – Alesco Corporation Limited (ALS)

ALESCO ANNOUNCES STRATEGIC REVIEW OF ITS ROBINHOOD BUSINESS

Date: 1 December 2008

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Alesco announced today it has completed a strategic review of its New Zealand based kitchen and laundry appliance manufacturer, Robinhood.

“Market conditions continue to remain tough in New Zealand with the country now formally in recession. During the past two years, we have experienced increased manufacturing costs and, more recently, a severe downturn in the retail market and a drop in demand from our OEM customers,” Alesco CEO Justin Ryan said.

“These difficulties, combined with the fact that our competitors are based in low-cost labour countries, are making it hard for Robinhood to compete in the marketplace.

“As a result, we have been undertaking a review to identify opportunities to improve our returns in this business,” said Mr Ryan. “With the strategic review now completed, we are in a position to begin considering the options for our business in the future.”

One of the options currently being considered by Robinhood is a proposal to cease manufacturing operations in New Zealand, and to procure products off-shore through third party manufacturers.

This proposal would allow the business to remain competitive and ensure the local operations can focus on product innovation and development and customer service.

The finalisation of these deliberations is expected to be completed over the next couple of weeks, following consultation with Robinhood employees and the Engineering, Printing & Manufacturing Union.

It is intended that any proposed changes to the business will be made over the next six – nine months. Subject to discussions within the business, there is the possibility that up to 80 roles across the business will become redundant.

As part of this proposal, the Robinhood business would be further integrated into the Functional & Decorative Products division to give it the ability to leverage off the Lincoln Group direct distribution model in both Australia and New Zealand.

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The proposed consolidation is also expected to streamline back-office administration and customer services and deliver operational savings.

“These developments would see structural changes in our New Zealand businesses which we believe will deliver benefits in the longer term.” Alesco CEO Mr Justin Ryan said.

“They would allow the Robinhood business to remain competitive and mean that the local operations can focus on product innovation and development and customer service.

Further details will be provided following completion of the consultation period with employees and the Union.

FOR FURTHER INFORMATION:

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Alesco manages a portfolio of leading industrial brands

Alesco has five divisions: Functional & Decorative Products, Construction & Mining, Garage Doors & Openers, Scientific & Medical and Water Products & Services.

Robinhood’s range of products include the Robinhood rangehoods and canopies and the SuperTub laundry range as well as laundry workstations, ironing centres, waste disposers and ducting solutions. For more information on Robinhood please visit www.robinhood.co.nz.

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