

ASX Release

Monday, 8 March 2004

Henry Walker Eltin Acquires aiM maintenance

Henry Walker Eltin's wholly owned subsidiary Simon Engineering (Australia) Pty Ltd has signed a Heads of Agreement to acquire the business of Perth based aiM maintenance Ltd, furthering its growth in the services stream of the business.

The price to be paid for aiM maintenance is \$9.274 million plus a deferred payment of \$750,000 subject to financial performance over the 2004 and 2005 financial years. The acquisition will be EPS and cash positive. The purchase will be funded through available cash.

The Heads of Agreement contains conditions precedent one of which requires the satisfactory novation of clients to Simon Engineering upon transfer of the business.

With a revenue base of over \$40 million, the acquisition will deliver a small increase in Simon Engineering revenue in 2004 due to the timing of the settlement in late April or early May. It is expected that revenue will grow to over \$45 million in 2005.

aiM maintenance provides maintenance, plant modification, shutdown and offsite fabrication/refurbishment support services to the mining, oil & gas, petrochemical and power generation industries throughout Western Australia. The business was established in 1991 and is half owned by aiLimited, a diversified engineering company listed on the Australian Stock Exchange.

Chief Executive Officer and Managing Director Bruce James said " The aiM maintenance acquisition brings to Henry Walker Eltin experienced management with a skilled workforce, an excellent list of clients, and fully equipped facilities in prime locations to service the resources sector.

"The integration of aiM maintenance into Simon Engineering will enable the critical mass required for market penetration and diversification in the Western Australian maintenance services sector.

The business employs approximately 280 people and has an impressive client base that includes BHP Billiton, Hamersley Iron, WMC Resources, Wesfarmers, Iluka, Tiwest, Western Power Corporation and the Fremantle Port Authority. The business has operating facilities located at Kwinana, Kalgoorlie and Newman in Western Australia.

Andrew Ellison, currently General Manager of aiM maintenance Limited, has agreed to join Simon Engineering in a senior management role and will work with the business to provide continuity of relationship and service provision to all existing aiM maintenance clients.

Mr James also said “Simon Engineering’s mechanical, electrical, and process engineering capabilities, and technology delivery and construction skills will complement the broad based maintenance capabilities, and specialist welding, concrete remediation and facilities maintenance capabilities of aiM maintenance to create turnover of over \$100 million for Simon Engineering in Western Australia.

“The acquisition of aiM maintenance will increase the Henry Walker Eltin Group's revenue in WA to in excess of \$400 million annually across the company.”

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