

Allomak Limited - Automotive Aftermarket Group

Company Overview & Institutional Placement

October 2007



Southern Cross Equities



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Introduction

- Allomak has acquired an additional five major businesses since listing on the ASX in August 2006, which are forecast to significantly increase financial performance:
 - FY08 Sales forecast \$60m+
 - FY08 EBIT forecast \$10m+

- The Company is seeking to raise \$15m (over subscriptions up to \$2m) through an institutional placement to enable:
 - Ongoing consolidation of the smash repair industry, where significant opportunities are currently available
 - Reduce gearing to enable balance sheet capacity for strong pipeline of potential acquisitions

- Priced at \$0.82:
 - 3.75% discount to the 5-day VWAP pre trading halt (dividend adjusted)

- C.\$100m market capitalisation upon completion of the capital raising.

- Offer will be completed in two tranches with the second tranche (c. 30%) subject to shareholder approval scheduled for 22 November 2007.

Company Overview

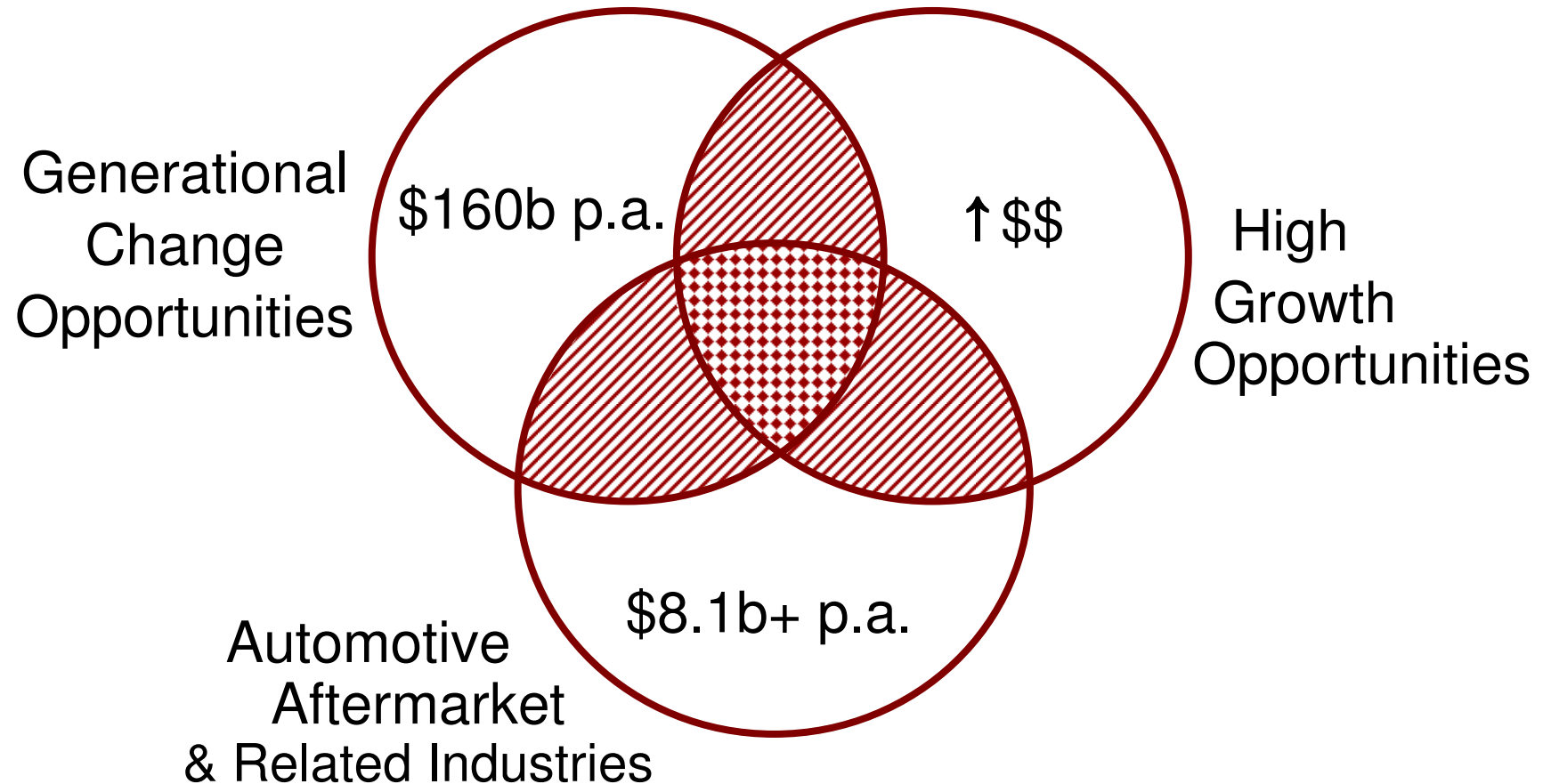
- Allomak was established for the purpose of acquiring and operating strong businesses undergoing generational change with an initial focus on the automotive aftercare market, a sector valued at more than \$8 billion and characterised by:
 - Healthy margins
 - Solid growth
 - Operating largely independently of the new car market

- The company's focus is on the business-to-business component of the automotive aftercare market. Primary customer groups include:
 - Automotive workshops
 - Dealers
 - Smash repair workshops

- Allomak has a portfolio of market leading companies:
 - Long track record of revenues
 - Strong reputation within the industry for quality, customer service and ethical dealings
 - Dominant or leading position in growth segments of the automotive aftercare market

Target Market

- The “sweet spot” of acquisition activity is the overlap of three key areas



Automotive Industry

- Allomak's target market is the wholesale automotive aftermarket.
- The aftermarket sector as a whole maintains solid growth rates and is quite distinct from the higher volume, lower margin original equipment manufacturers (OEM) supplying the new car market and the more discretionary spending driven retail sector.

| OEM | WHOLESALE | RETAIL |
|---|--|---|
| <p>Parts & accessories fitted by manufacturers to vehicles <i>prior</i> to and including the initial vehicle sale</p> <p>Original Equipment Manufacturers (OEMs) operate in an environment that is characterised by:</p> <ul style="list-style-type: none"> ▪ Low margins ▪ High volume, repetitive manufacturing ▪ Planned production schedules <p>Dominated by large, international groups.</p> <p>Significant pricing pressure applied by car manufacturers to suppliers</p> | <p>Products & services purchased by other <i>businesses</i> for use <i>after</i> the the initial sale</p> <p>Encompasses replacement parts & components, accessories, lubricants, service repairs etc and characterised by:</p> <ul style="list-style-type: none"> ▪ High margins ▪ Largely non discretionary spending ▪ Attractive Industry Dynamics <p>Fragmented industry made up of a number of locally owned and operated businesses.</p> | <p>Products & services purchased by the <i>car owner</i> or end user <i>after</i> the initial sale</p> <p>The retail aftercare sector operates in an environment that is characterised by:</p> <ul style="list-style-type: none"> ▪ Low margins – pressure from Chinese supply ▪ Largely retail consumer driven discretionary spending ▪ Intense competition <p>The sector is dominated by large companies servicing fragmented local business - Repco, Super Cheap Auto.</p> |

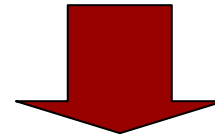
Value Creation

- Management's focus is on three key value creation areas

Enablers

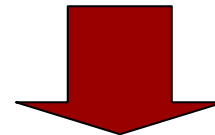
- Vision
- Strategy
- Experience

*ACQUISITION
EXCELLENCE*



- People
- Systems
- Industry Knowledge

*OPERATIONAL
IMPROVEMENT*



- Values
- Incentives

*GROUP
SYNERGIES*

Major Operating Companies

Acquired prior to, or in conjunction with, IPO



Australia's leading aftermarket bull bar supplier



Australia's leading automatic transmission remanufacturer



Australia's leading chassis dynamometer supplier



A major supplier of paints and consumables to the Sydney and Newcastle smash repair industry

Acquired since IPO



WA's leading remanufacturer and supplier of brake and clutch components



Australia's leading diesel emission testing equipment and diesel testing provider



LPG conversions, supply and servicing



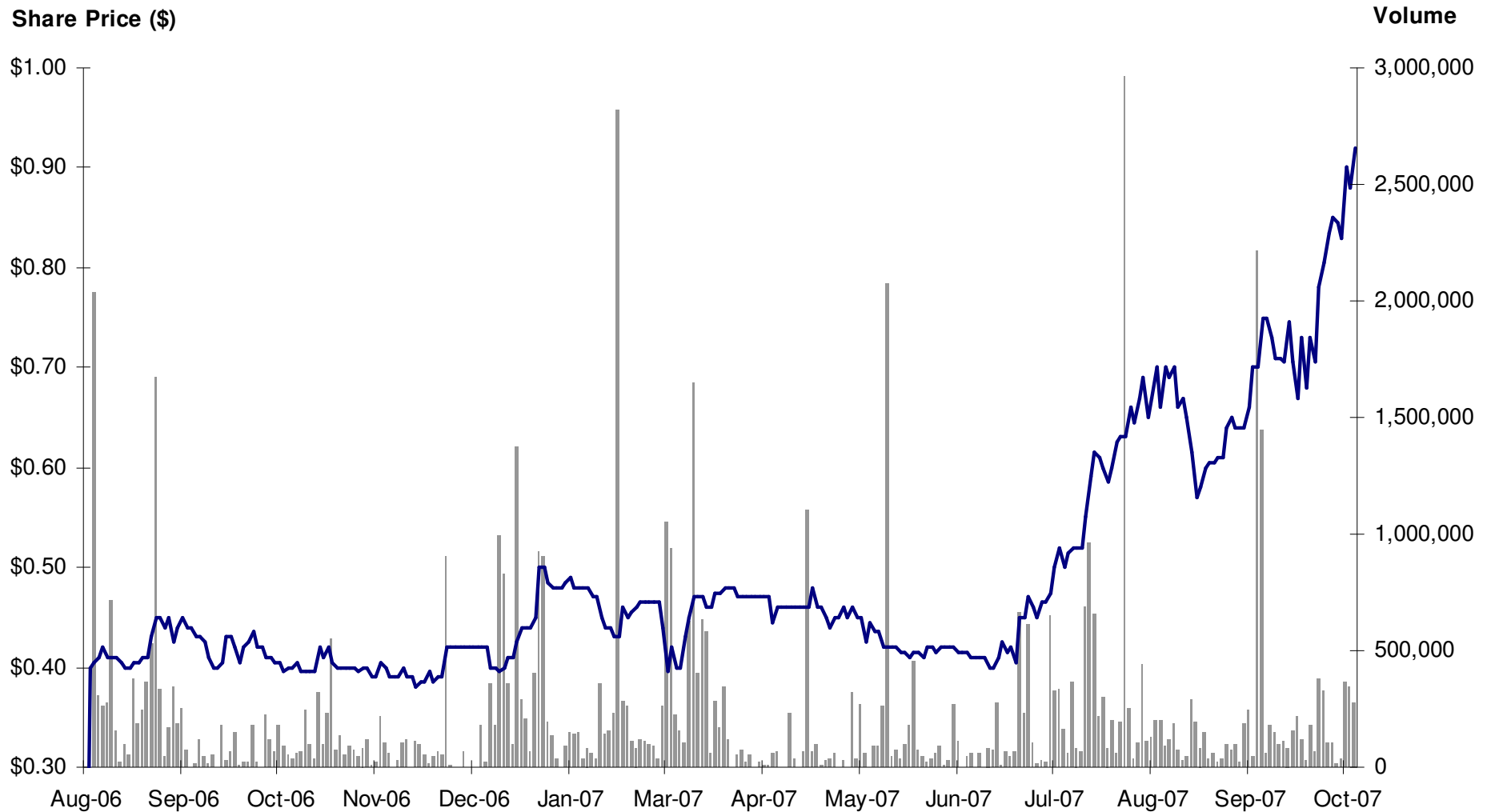
A market leader in LPG conversions and strong synergies with Dual LPG



VIC's leading prestige smash repairer

Shareholder Returns

- Allomak has delivered a total return of 146% since listing in August 2006 with the market clearly rewarding the company for delivering on its strategy of acquiring leading companies within the automotive aftercare market.



Selected Growth Highlights

- Smash repair industry
 - Significant opportunities exist to consolidate the national smash repair market
 - Currently a very fragmented industry with no national provider
 - Strong pipeline of leading businesses ready to come on board as part of a national roll-out strategy
 - \$4b market in its own right (i.e. in addition to the \$8b general automotive aftercare market)

- Leverage off Mr Gloss
 - A high degree of leverage exists for expanding volume in the smash repair market through Mr Gloss
 - Expansion to other states through strong relationships with insurance companies and as preferred suppliers to major manufacturers (particularly in the prestige end of the market)

- LPG market
 - The LPG market continues to gain momentum
 - Crude oil prices currently at record highs
 - Increasing government push for national level standards will favor more corporatised, professional operators
 - Government LPG conversion rebate for private vehicles in place until at least 2011
 - Following the acquisition of LPG1, AMA will be the dominant converter in Australia and the largest in the Southern Hemisphere

Financial Overview

- The five major acquisitions made since the IPO in August 2006 are forecast to significantly increase Allomak's financial performance.
- Profit will be delivered through a combination of initiatives:
 - Base organic growth in existing businesses
 - Value added initiatives introduced post acquisition
 - Additional acquisitions made throughout the year
- Gearing (net debt/equity) reduces to 14% placing the Company in a financially strong position for growth going forward. Access to debt funding facilities also available.

Financial Performance

| Year Ending June 30 (\$'000) | FY07 (a) | FY08 (f) | Growth |
|---------------------------------|------------|------------|--------|
| Revenue | 36,443 | 60,000+ | 65% |
| EBIT | 4,970 | 10,000+ | 101% |
| <i>EBIT Margin</i> | <i>14%</i> | <i>17%</i> | |
| NPAT | 3,831 | 7,500 | 96% |
| <i>NPAT Margin</i> | <i>11%</i> | <i>13%</i> | |

Financial Position

| (\$'000) | Pre-Placement | Post-Placement |
|-------------------|---------------|----------------|
| Cash | 1,302 | 1,302 |
| GROSS ASSETS | 69,381 | 69,381 |
| Debt | 25,813 | 8,813 |
| GROSS LIABILITIES | 33,505 | 16,505 |
| NET ASSETS | 35,876 | 52,876 |
| Net Debt | 24,511 | 7,511 |
| Gearing | 68% | 14% |

Financial Health

- Key FY07 performance metrics, in the large part indicate strong underlying fundamentals, but also highlight some further attention needed in the area of working capital management.

| CATEGORY | TYPE | FY07 | BENCHMARK | COMMENT |
|-------------------------------------|-----------------|-------|-----------|------------|
| <u>LIQUIDITY</u> | Current ratio | 1.3 | > 1.5 | Acceptable |
| | Quick ratio | 0.79 | > 0.75 | Good |
| <u>WORKING CAPITAL</u> | Days receivable | 88 | < 55 | Needs work |
| | Days inventory | 122 | < 90 | Needs work |
| | Days creditors | 81 | < 55 | Needs work |
| <u>FINANCING SUFFICIENCY</u> | Interest cover | 12.2x | > 3.0x | Very good |
| | Debt to equity | 0.79 | < 1.0 | Very good |
| <u>PROFITABILITY</u> | Gross margin | 50.0% | > 50.0% | Good |
| | EBIT margin | 13.6% | > 12.5% | Good |
| | NPAT margin | 10.5% | > 8.0% | Very good |
| | ROA | 10.3% | > 10.0% | Good |
| | ROE | 14.2% | > 10.0% | Very good |

Board of Directors

| | |
|---|---|
| Anthony McLellan (Non-Executive Chairman) | Tony possesses significant Board experience with current position held at Bemax Ltd and Norton Gold Fields Ltd. |
| Robert Allan (Managing Director) | Tony was also previously the CEO of the predecessor of Barrick Gold and President of LJ Hooker Corporation in the USA. |
| Wendy Simpson (Non-Executive Director) | Rob is the founder of Allomak and has developed strong acquisition skills as a result of his experiences in management consulting, venture capital and M&A. |
| John Worton (CFO & Executive Director) | Numerous Board positions held in both Offshore and Australian listed companies. |
| | Currently Chairman of Westray Engineering and a Director of Alliance Tooling. |
| | Extensive international experience in private equity with previous General Manager and Director roles. |
| | John has previously held CFO roles with other growth orientated companies including OzEmail and a Qantas Group associated company. |

Offer Details

- 2 tranche institutional placement of 20.7m shares to raise \$17m (incl. over subscriptions of \$2m)
 - Tranche 1 (13.0m shares) or 63% settles immediately
 - Tranche 2 (7.7m shares) or 37% subject to shareholder approval scheduled for 22 November 2007
- Placement shares will rank pari passu for the FY08 dividend but not receive the 2.2 cent FY07 final dividend
- Offer priced at \$0.82
 - 3.75% discount to dividend adjusted 5-day VWAP up to last close
- Funds raised through the offer will be applied as follows:
 - Ongoing consolidation of the smash repair industry, where significant opportunities are currently available
 - Reduce gearing to cater for strong pipeline of potential acquisitions
- Joint Lead Managers are Patersons Securities and Southern Cross Equities

| | | |
|-----------------------------------|-------------|------|
| Existing shares on issue | 89,823,042 | 83% |
| Placement shares | 20,731,707 | 17% |
| Total shares post capital raising | 110,554,749 | 100% |
| Market capitalisation post offer | c.\$100m | |

Offer Timetable

| | |
|--------------------------------------|-----------------------------------|
| Trading halt | Tuesday 9 October 2007 |
| Expressions of interest due | 4pm Wednesday 10 October 2007 |
| Dispatch of allocation offer letters | Evening Wednesday 10 October 2007 |
| Receipt of allocation offer letters | 9am Thursday 11 October 2007 |
| Announce placement to ASX | 10am Thursday 11 October 2007 |
| DvP settlement of tranche 1 | Wednesday 17 October 2007 |
| Quotation of tranche 1 | Thursday 18 October 2007 |
| Meeting of shareholders/AGM | Thursday 22 November 2007 |
| DvP settlement of tranche 2 | Friday 23 November 2007 |
| Quotation of tranche 2 | Monday 26 November 2007 |

Note: Times and dates are indicative only and subject to change without notice.

All queries regarding the process should be directed to the Joint Lead Managers

Patersons Securities Ltd
Mark Hinsley on (+61 2) 8238 6204

Southern Cross Equities Ltd
Paul McCarthy on (+61 2) 8224 2846

Investment Highlights

1. Proven management:

- Since the IPO in August 2006, Allomak has clearly delivered on its strategy through the acquisition of an additional five major businesses all meeting the strict AMA acquisition criteria
- 146% total return since listing

2. Growth profile:

- Strong acquisition pipeline including consolidation opportunities within the smash repair and LPG conversion markets
- Organic growth by extending customer relationships and business opportunities across the group and implementing productivity improvements and efficiencies

3. Industry Dynamics:

- The automotive aftercare market is a fragmented \$8.1b industry made up of a number of locally owned and operated businesses – ripe for further consolidation
- Aftercare market is characterised by high margins and agile supply chain planning and inventory management

4. Attractive entry point:

- 3.75% discount to dividend adjusted 5-day VWAP up to last close