

22 July 2011

Purchase of the Assets of C&B Engineering

LaserBond Limited has completed the purchase of the assets of C&B Engineering (CBE) which became available due to the planned retirement of the proprietor. This was an opportunistic purchase as the assets are items that LaserBond requires to meet existing growth targets. CBE's assets include large machining equipment and both general and CNC engineering equipment that allowed them to build a successful business, predominantly servicing the mining equipment sector. Some of the customers of CBE, particularly in the mining sector, are already customers of LaserBond. This will allow LaserBond to further strengthen its business with these existing customers while at the same time introduce the LaserBond technology to a new client base.

With the imminent move of the Ingleburn facilities to larger premises, LaserBond was already planning to invest in much of this equipment to enhance its own capabilities to service its customers in a range of sectors, and thereby meet significant internal growth targets. Specifically, LaserBond was planning to purchase large vertical and horizontal borers and larger manual and CNC lathes. The purchase of these assets has fulfilled these plans at a very reasonable price.

The purchase of the assets not only brings the equipment, but access to CBE's job records and client base. The previous proprietor will assist in the orderly transition of customers to LaserBond.

The assets were purchased at a price of \$500,000 which will be financed from existing cash flow over a 5 year period. Once fully integrated into LaserBond's facilities, the purchase is forecast to enable LaserBond to initially increase sales by an estimated minimum of \$1.2m p.a. and then grow over time.

MTL Twist

Matthew Twist
Company Secretary