



## **A N N O U N C E M E N T**

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**TO:** Australian Stock Exchange  
New Zealand Stock Exchange

**FROM:** Tag Pacific Limited

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### **AGREEMENT TO ACQUIRE ADVANCED ENERGY SYSTEMS**

Tag Pacific Limited (ASX: TAG, NZX: TPC) advises that its subsidiary, M+H Power Systems Pty Limited, has entered into a conditional agreement to acquire the business of Advanced Energy Systems.

Advanced Energy Systems is a leading provider of specialised power conditioning equipment widely used in renewable energy facilities. The Advanced Energy Systems brand is highly recognised internationally and has a strong presence in the global renewable energy market.

"M+H Power has identified the renewable energy sector as a strong growth opportunity and the acquisition of Advanced Energy Systems will provide M+H Power with an international presence in that sector." said Tag Chairman Peter Wise.

"The acquisition will give M+H Power a research and development capability which will enable it to tap into sales opportunities in both the renewable energy sector and its more traditional areas of charging equipment and conventional power systems. The Advanced Energy Systems products will further enhance the attractive product range offered by M+H Power and add continuing momentum to the growth of M+H Power."

"We are not only pleased to see M+H Power's operations develop further into this new and exciting area, but we are also pleased to see it do so at this time. The deal will deliver intellectual property and tangible assets to M+H Power and we expect the acquisition will be earnings positive for M+H Power in the current financial year."

M+H Power is a broadly based and expanding supplier of batteries, emergency lighting, stand-by power systems and related equipment with branches and representation across Australia and New Zealand. The acquisition of Advanced

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Energy Systems together with M+H Power's existing interest in Ice Corporation Limited (ASX: ICE) will give M+H Power a presence across the AC / DC spectrum.

The Advanced Energy Systems business was put up for sale following the appointment of an administrator to Advanced Energy Systems Limited (ASX code: AES) on 31 August 2004. Trading in shares in Advanced Energy Systems Limited has been suspended since the appointment.

In the year to 30 June 2004, Advanced Energy Systems Limited reported revenue in excess of \$9.5 million, however not all revenue is expected to continue under M+H Power's ownership given that not all components of the business are being acquired and because of the unavoidable disruption caused by the appointment of an administrator.

M+H Power will fund the acquisition from existing cash reserves.

The acquisition is subject to a number of conditions precedent including a technology licensing arrangement being entered into pursuant to which certain intellectual property will be available to enable Advanced Energy Systems Limited to participate in further product development. Subject to the satisfaction of the conditions precedent completion is expected to occur in early November 2004.

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