



MAXITRANS ACQUIRES QUEENSLAND DIESEL SPARES

MaxiTRANS Industries Limited (ASX:MXI) today announced the acquisition of Queensland Diesel Spares Pty Ltd (“QDS”) as part of its strategy to expand the national footprint of the company’s successful parts business.

QDS is a leading retailer of truck parts, accessories and consumables to the Queensland transportation industry. The business employs approximately 75 people across 9 retail stores in Gladstone, the metropolitan and greater area of Brisbane as well as the Gold Coast. QDS has grown successfully over the last 25 years and currently has an annual turnover of approximately \$40 million and generates normalised earnings before interest and tax of around \$4.5 million.

MaxiTRANS’ existing parts business, Colrain, is a leading importer and distributor of truck and trailer components, parts and accessories with 8 retail stores in Victoria and South Australia and wholesale operations in Queensland, New South Wales and Western Australia. Colrain employs approximately 100 people and has a turnover in excess of \$50 million per annum.

The acquisition of QDS will establish MaxiTRANS as one of the largest truck and trailer parts distribution and retail operations in Australia. It will enable the combined business to leverage the benefits of an enhanced and expanded product range, provides exposure to new market segments, increases geographical reach and allows further penetration into the mining and resources sector where Colrain is already supplying components such as suspensions, lights, wheels and tyres to a number of specialist trailer manufacturers. Both Colrain and QDS are expected to derive significant synergies and benefits from expanded customer and supplier relationships.

The Managing Director of MaxiTRANS, Michael Brockhoff said: “In recent years, our parts business has been an impressive performer with a strong management team that has successfully re-engineered the business and expanded its product range beyond its traditional trailer parts offering. For the last two years we have been on the lookout for opportunities to take the next step to expand upon Colrain’s success.



We are delighted that six months of due diligence and negotiation has culminated in the acquisition of QDS, a highly complementary operation with a strong presence in growing markets.”

The acquisition values QDS at an enterprise value of \$21.6 million. Funding for the acquisition will be from existing banking facilities and completion is expected to occur on Monday, 2 April 2012. The acquisition of QDS is expected to be earnings per share accretive to MaxiTRANS in the first year of ownership.

For more information please contact the Managing Director, Mr. Michael Brockhoff, or the Chief Financial Officer, Mr. Marcello Mattia on (03) 8368 1100.

Michael Brockhoff
Managing Director
24 March 2012