

Offer for Dexion Limited and GUD Capital Raising

21 June 2010

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Limited



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Offer summary

- ▶ All cash, off-market takeover offer for 100% of Dexion Limited (“Dexion”) at A\$0.80 per share (“Offer”)
 - ▶ 100% premium to Dexion’s closing share price of A\$0.40 on 20 May 2010¹
- ▶ Dexion directors unanimously recommend the Offer, in the absence of a superior proposal and intend to accept the Offer for shares they own or control (representing 2.6% of Dexion shares on issue)
 - ▶ Key institutional shareholders intend to accept the Offer for shares representing at least 16.2% of Dexion shares on issue, in the absence of a superior proposal
- ▶ Offer subject to 90% minimum acceptance condition, regulatory approvals and other customary conditions
- ▶ GUD to fund the Offer via a combination of existing cash reserves and committed bank lines, an underwritten institutional placement and a share purchase plan (“SPP”), to deliver a conservative post-acquisition capital structure:
 - ▶ A\$40 million institutional equity placement (represents 7.5% of GUD’s current market cap)
 - ▶ SPP for up to A\$15,000 per eligible shareholder, capped at A\$15 million
- ▶ The acquisition is expected to be EPS accretive in GUD’s first full year of ownership (FY12)
- ▶ Bidder’s Statement is expected to be lodged in the near-term, with dispatch to Dexion shareholders and opening of Offer expected to follow shortly thereafter

1. The last trading day prior to the announcement that GUD and Dexion had entered into a Takeover Bid Implementation Agreement under which GUD would make the Offer for Dexion

Why Dexion shareholders should accept

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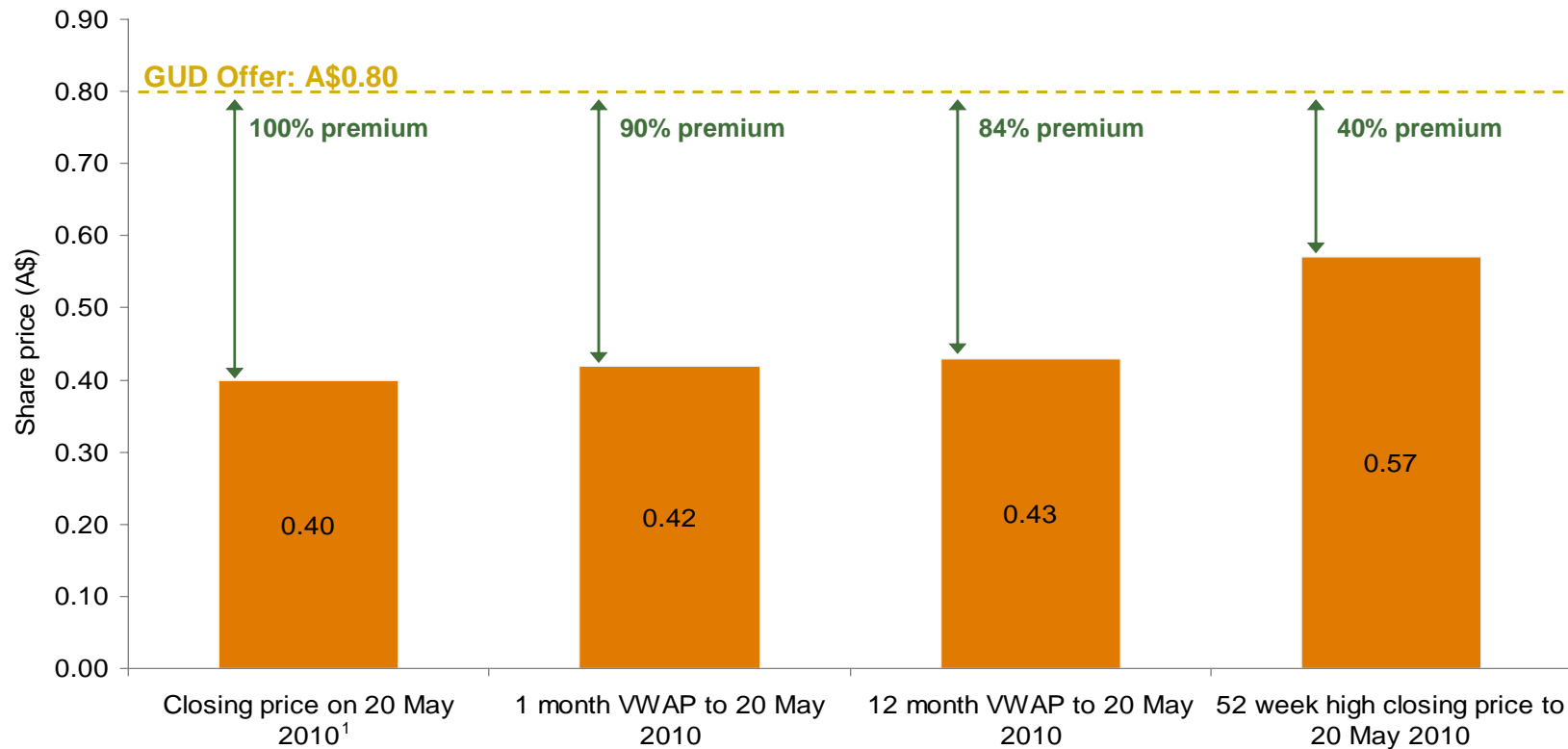
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- 1 The Dexion directors **unanimously recommend the Offer**, in the absence of a superior proposal
- 2 The Offer has the **support of key shareholders** representing at least 16.2% of Dexion shares on issue
- 3 The Offer represents a **very attractive premium** to Dexion's pre-announcement trading price
- 4 You will receive the **certainty of cash value** for your Dexion shares
- 5 Dexion's share price is **likely to fall, in the absence of the Offer**
- 6 The Offer **removes your exposure to the risks and uncertainties** that can affect the market value of your Dexion shares
- 7 You **will not incur any brokerage charges** or stamp duty

Offer represents a highly attractive premium

- ▶ Offer of A\$0.80 cash per share represents a highly attractive premium to a range of Dexion trading prices prior to announcement



Source: IRESS

1. The last trading day prior to the announcement that GUD and Dexion had entered into a Takeover Bid Implementation Agreement under which GUD would make the Offer for Dexion

Dexion is a GUD-style business

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Market leading positions

Clear leader in core market served

- ▶ Industrial racking & shelving - *Australia / NZ*

Leading positions in other markets served

- ▶ Industrial distribution systems – *Australia / NZ*
- ▶ Commercial mobile shelving – *Australia / NZ*
- ▶ Commercial cabinets – *Australia / NZ*
- ▶ Industrial racking & shelving – *South East Asia / Middle East*

Strong brand names and reputation



Product design / development expertise



Freetrack 2
Compactus ®



Strata Cabinet
and Planter
range



SmartGuard
rack
protection

Supply chain management focus

- ▶ **Manufacturing:** Sites in Australia, New Zealand, Malaysia and China
- ▶ **Sourcing:** Global network of suppliers that manufacture components and complimentary products, which are subject to Dexion's design and quality standards
- ▶ **Distribution:** 55 regional distribution points across Asia and the Middle East, with regional headquarters in Dubai and Kuala Lumpur

GUD can fast track Dexion's growth potential

Dexion's growth potential

- ▶ Leverage to continued economic recovery in the near term via industrial and commercial end customers
- ▶ Exposure to long term growth end markets of distribution and logistics
- ▶ Expansion opportunities in emerging markets of Asia and Middle East

GUD's value add to Dexion

- ▶ Scale, financial resources and access to capital to take full advantage of growth opportunities
- ▶ Complementary core competencies of brand management, product design, product sourcing and supply chain optimisation
- ▶ Proven track record of integrating and optimising acquired businesses

GUD management has a successful track record of optimising businesses within its portfolio and maximising the value of its brands to produce long-term shareholder returns

Dexion is an attractive addition to the GUD portfolio

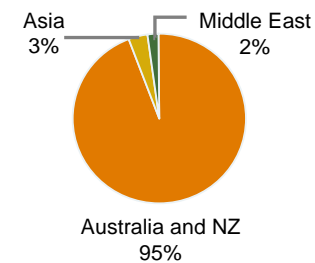
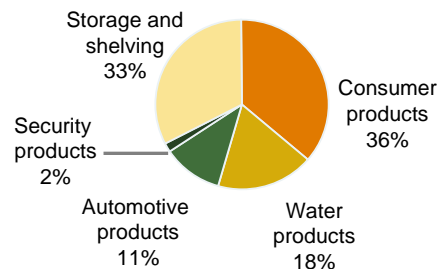
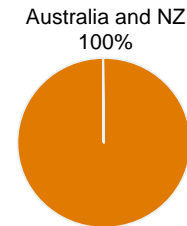
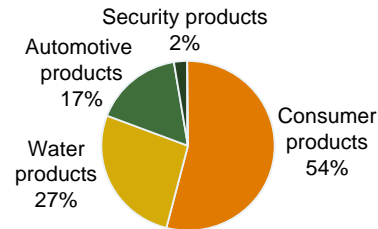
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- ▶ Creates a more diversified business — across products, geographies and end customers
- ▶ Adds an attractive growth platform to GUD's portfolio

Revenue by business mix

Revenue by geography



Proposed timetable for the Offer

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- ▶ **Late June:** Lodge Bidder's Statement
- ▶ **Early July:** Bidder's Statement to be dispatched to Dexion shareholders; Offer opens
- ▶ **Early August:** Scheduled Offer close

Funding of Offer

- ▶ GUD has the financial capacity to comfortably fund the Offer using existing cash and committed bank lines
- ▶ However, to maintain GUD's balance sheet strength and retain flexibility to fund future growth, GUD intends to raise up to A\$55 million in equity via:
 - ▶ A\$40 million institutional equity placement ("Placement"); and
 - ▶ SPP for up to A\$15,000 per shareholder, capped at A\$15 million
- ▶ Placement fully underwritten by J.P. Morgan Australia Limited and Macquarie Capital Advisers Limited at A\$8.30 per share
 - ▶ Placement to be conducted on 21 June
- ▶ Placement and SPP shares will rank pari passu with existing shares on issue and be entitled to any FY10 final dividend declared by GUD
- ▶ If Offer conditions are not met, proceeds from the Placement and SPP will be used for general corporate purposes, including organic and inorganic growth initiatives
- ▶ GUD also intends to suspend its share buyback program

Share purchase plan

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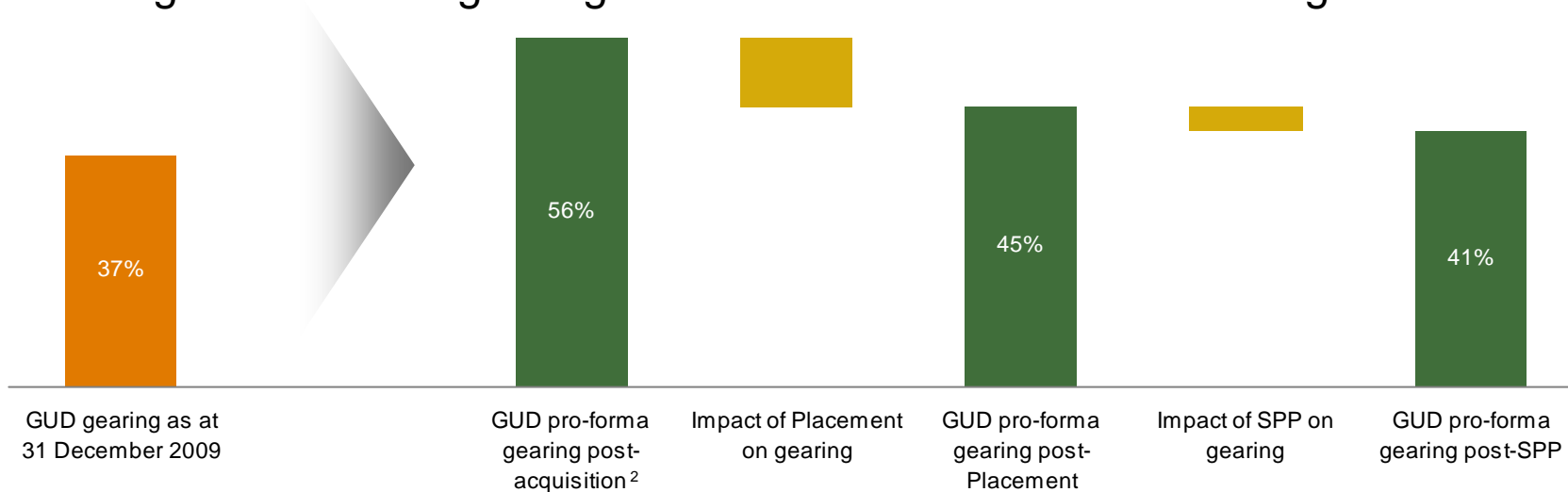
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- ▶ Eligible shareholders in Australia and New Zealand will have the opportunity to subscribe for up to A\$15,000 of GUD shares per shareholder
- ▶ Shares under the SPP will be issued at the lower of:
 - ▶ the institutional placement price of A\$8.30 per share; or
 - ▶ a 2.5% discount to the volume weighted average price of GUD shares over the five trading days prior to and including the SPP closing date
- ▶ SPP is not underwritten
- ▶ Information on the SPP is expected to be sent to shareholders by 5 July with the SPP offer open from 5 July until late July

Financial impact of Offer on GUD

- ▶ Cash Value Added positive
- ▶ Expected to be EPS accretive in GUD's first full year of ownership (FY12)
 - ▶ Integration activities at Dexion expected to provide earnings enhancement potential
 - ▶ Integration likely to take at least two years to complete
- ▶ Strong consolidated gearing¹ metrics from which to fund future growth



1. Defined as Net Debt / (Net Debt + Book Equity)

2. Based on GUD's balance sheet as at 31 December 2009, adjusted for the acquisition of Dexion for an enterprise value of A\$109 million using existing cash and committed bank lines

GUD trading update and FY10 guidance

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- ▶ In GUD's interim results announcement released to the market on 27 January 2010, GUD provided full year EBIT guidance for FY10 to be within the range of **A\$64 million to A\$68 million**
- ▶ GUD reaffirms this guidance and expects to achieve an FY10 EBIT towards the top end of this range

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Overview of Dexion

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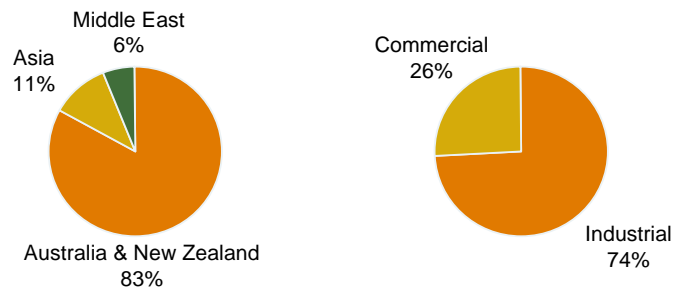
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Business overview

- ▶ Australia and New Zealand's leading provider of storage solutions for industrial and commercial markets
- ▶ Manufactures and markets a broad range of storage products within Australia, Asia-Pacific and the Middle East
- ▶ Operations consist of two divisions
 - > **Industrial:** Storage solutions, consulting services and integrated systems for distribution management and materials handling
 - > **Commercial:** Storage and filing solutions for commercial sector
- ▶ Products are distributed through franchise networks, dealer networks and sales personnel
- ▶ Key brands include Dexion Office, Compactus®, Elite Built and Precision NZ
- ▶ Forecast EBITA of A\$11 – 12mm for the year ended 31 Dec 2010¹

Revenue mix



2009 Sales — A\$234mm

Key products

Industrial



Pallet Handling Systems



Specialist Racks



Shelving and Bench Systems



Drawer and Binning Systems

Commercial



Shelving



Specialty Racks



Drawers and Cabinets



Lockers and Safes

Facilities overview

- ▶ **Australia**
 - > New South Wales — Head office and industrial production site located at Kings Park
 - > Victoria — Commercial manufacturing facilities in Sunshine and Bayswater
- ▶ **New Zealand**
 - > Manufacturing facilities located in Auckland and Wellington
- ▶ **Asia-Pacific**
 - > Malaysia — Manufacturing facility located in Kuala Lumpur
 - > China — Manufacturing facility in Shanghai
- ▶ 55 regional distribution points across Asia and the Middle East, with regional headquarters in Dubai and Kuala Lumpur

1. Guidance announced by Dexion at their Annual General Meeting on 22 April 2010