



GALE PACIFIC LIMITED
(ASX: GAP)

ASX and Media Release

30 November 2012

- **Complementary acquisition of the assets of Highgrove (Victoria) Pty Ltd**
- **Adds growth options and product diversification**
- **Funded from balance sheet capacity and shares**

Gale Pacific Limited (**GAP or the Company**) a leading manufacturer and marketer of branded shading and screening materials, announces that it has acquired the assets of Highgrove (Victoria) Pty Ltd (www.highgroveglass.com.au).

Highgrove (Victoria) Pty Ltd is a privately owned business specialising in the marketing and distribution of branded home improvement products including glass and stainless steel fencing and balustrade, frameless shower screens, glass safety mirrors, kitchen splashback panels and the Enduroshield range of glass protective coatings. These products are sold into the do-it-yourself home improvement market in Australia.

“The acquisition of the Highgrove assets is a great fit for the business giving GAP an expanded presence in the broader screening and fencing market in Australia, and an expanded product offer to further grow the combined GAP and Highgrove businesses. We are excited about the opportunity to take on the Highgrove range of products and investing the funds required to ensure the product range reaches its maximum potential in this market. The business has grown rapidly over the past three years and still has great growth potential in some of its key product areas”, the Company’s Chief Executive Officer, Mr Peter McDonald said.

The Highgrove business will generate annual sales revenues of approximately \$11 million. The acquisition cost will be funded from existing banking facilities with \$0.35 million of the purchase price being taken by the vendors in the form of GAP shares. A significant portion of the purchase price will be delayed until August 2013 as the vendors have been set earn out performance targets for the remainder of this financial year. The acquisition will be earnings per share accretive in FY13, before any potential operational synergies.

Mr Brad Sinclair, part owner and Director of Highgrove (Victoria) Pty Ltd will join the Company to oversee the management of the Highgrove product range and implement the growth plans for the Highgrove business.

“We are very pleased that Brad is coming across with the business to join GAP. Brad has a wealth of knowledge about the products and markets of the Highgrove business and will be able to spend more time on innovation and product development with the support of the Gale business and structure behind him”, Mr McDonald added.

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