



**19<sup>th</sup> November 2009**

## **ASX ANNOUNCEMENT**

### **Chairman's Address**

The financial results for the year ended 30 June 2009 showed a net loss after tax of \$17.52m on turnover of \$39.51m. Included in the result was a \$10.04m loss on sale of the crane and hoist division, \$3.88m of finance costs and \$2.43m of depreciation and amortisation.

In April 2009 Verticon announced the sale of its crane and hoist division to D&G Hoists & Cranes (Aus) Pty Ltd. The sale was approved by our financiers, Westpac and our shareholders in a general meeting held in May 2009.

This sale was the result of an extensive review of the business by the Board and our Chief Executive Officer Mr Andrew Torrington. We considered various methods of addressing the lack of profitability and cashflow from the crane and hoist division, including acquisitions to increase scale however we came to the conclusion that the crane and hoist division was unlikely to achieve profitable operations going forward. Given the state of the crane and hoist market at the moment and the declining values of 2<sup>nd</sup> hand plant and equipment, we still believe this decision to be the correct one.

As part of the sale of the crane and hoist division, Westpac has agreed to provide a five year facility of \$42.47m to the Group until June 2014. The facility is made up of two components. A \$31.67M facility payable by Verticon from profits generated from its property development business and a \$10.80m facility payable by D&G.

Going forward, we intend to use the expertise of the Board members to engage solely in property development activities either as principal or joint venture partner.

I am pleased to announce that our first development has now commenced construction and is progressing well.

The Australian property market is beginning to show good signs of a recovery over the coming years and I believe we will be well placed to take advantage of this and provide real value to our shareholders.

*For further information, contact*

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