

Media Release

3 June 2009

Lyco Group's Sales Process Nears Completion

Receivers and Managers Keith Crawford and Colin Nicol of McGrathNicol today announced that the sale process of Lyco Innovations Pty Ltd, Lyco Holdings Pty Ltd and C.S. Nominees Proprietary Ltd ("the Lyco Group") is nearing completion.

Multiple transactions have resulted in the sale of various inventories, equipment, and intellectual property assets of the Lyco Group. No bids were received for the manufacturing facilities or the retention of the existing workforce. Operations will now wind down progressively until 30 June 2009.

Mr Crawford, Partner at McGrathNicol said: "We are pleased with the progress we have made in selling the business assets. However, while we initially received an encouraging level of bidder interest, no final bids were received for the entire Lyco Group business.

"We have therefore been left with no alternative but to wind down operations and to retrench the remaining employees by 30 June 2009 in line with the settlement timetable. The manufacturing facilities will be sold on a vacant position basis and we expect to conclude this in the coming weeks."

On 8 April, the Receivers and Managers sought expressions of interest for the purchase of the businesses and/or assets of the Lyco Group. The business assets include:

- 15,380m² of freehold land and property incorporating 5,628m² of full manufacturing facilities and offices;
- Attractive product range and customer base;
- Manufacturing plant & equipment;
- Stock and raw materials; and
- Intellectual property.

Based in Ballarat, the Lyco Group manufacture machinery across multiple industries, including hydraulics, waste management, materials handling, farming, wool harvesting, earth moving and transport. The Receivers and Managers were appointed by the Lyco Group's secured creditor on 1 April 2009 in response to the appointment of a liquidator by the Directors.

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