

**Media Release**

29 April 2009

**Update on the Lyco Group's Sales Process**

Receivers and Managers of Lyco Innovations Pty Ltd, Lyco Holdings Pty Ltd and C.S. Nominees Proprietary Ltd ("the Lyco Group"), Keith Crawford and Colin Nicol of McGrathNicol, today announced they have received a positive response to the invitation for expressions of interest in the business and/or assets of the Lyco Group. Additionally, the Receivers and Managers have received sufficient orders from customers to ensure continued trading until June 2009.

Mr Crawford, Partner at McGrathNicol said: "We have been encouraged by the level of interest received from over 50 parties. Our priority over the next few weeks will be to narrow the field down to a manageable shortlist of preferred bidders.

"While we have had to make the difficult decision to reduce the workforce by approximately 25 percent since our appointment, we expect to be able to maintain current production levels and to retain the remaining workforce for the duration of the sales process.

"It is anticipated that the sale process will take six to eight weeks to complete," Mr Crawford added.

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

- 15,380m<sup>2</sup> of freehold land and property incorporating 5,628m<sup>2</sup> 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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