

# Dexion Strengthens Logistics Resources

Dexion Limited, (ASX:DEX), Australia's leading storage solutions and equipment supplier, today announced it has entered an agreement to acquire all the shares in its licensee, Dexion Integrated Systems Pty Ltd (DIS), for \$8 million, net of cash acquired.

DIS is a specialist technology supplier of hardware and software systems that improve warehousing and distribution efficiencies. Benefits to customers

from DIS solutions are derived from better management of throughputs and inventory, plus increased speed-to-market through state-of-the-art order fulfilment systems.

Dexion has had a long term relationship with DIS dating back to 1995. DIS has partnered Dexion's Logistics Division in its increasingly successful systems business. The businesses have been co-located for

4 years and currently operate from premises in a technology park in North Ryde.

In the year to 30th June 2006 DIS has achieved sales of \$16m and earnings of \$2.5 million, before interest and tax.

The acquisition is being funded by \$5m in cash and \$3m in Dexion Limited shares, with the vendors entering into a voluntary escrow agreement restricting the sale of shares for a period of one year from the date of issue.

The price of the shares to be issued will be based on the volume weighted average price traded on the ASX in the 5 day period to 20th October. The acquisition is expected to be finalised by November 1. The acquisition price is subject to a net asset adjustment upon the finalisation of the completion accounts.

Dexion managing director Mr Brent Fuller said that incorporating DIS into Dexion's overall Logistics operations will allow Dexion to better coordinate its innovation activities.

"This acquisition is also a foundation stone for our systems expansion throughout the region," he said.

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