

£4m sale of Dyson Diecastings
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Alumasc Group PLC
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Announcement 30 June 2016

The Alumasc Group Plc ("Alumasc" or "the group") Sale of Dyson Diecastings and trading update

(a) Sale of Dyson Diecastings ("Dyson")

At the time of its interim results for the six months to 31 December 2015, published on 2 February 2016, the Alumasc Board announced that, in line with its strategy, it had initiated a process for the disposal of Dyson Diecastings, the group's last remaining Engineering Products business. Today, Alumasc is pleased to announce that it has completed the sale of the business and assets of Dyson to Broadways Stampings for net cash consideration of £4.0m, paid at completion, subject only to the finalisation of completion accounts.

The gross and net book values of assets sold is expected to be circa £3.9m and £3.2m respectively, giving rise to an expected gain on sale and consequential increase in group net assets of £0.8m, again subject to finalisation of completion accounts. Under the terms of the transaction, Dyson's legacy defined benefit pension obligations will be retained by Alumasc.

In the financial year ended 30 June 2015, Dyson reported revenues of £8.1m and an operating profit of £0.7m. Market and trading conditions for Dyson have been more challenging in the current financial year, and so the sale of Dyson is expected to be broadly earnings per share neutral to the group.

With the sale of Dyson, the group has achieved its strategic objective of becoming a focused supplier of niche building products, systems and solutions. This will enable management to concentrate solely on driving further profitable growth in these activities. The cash proceeds from the sale of Dyson will be re-invested to support this growth, including the intended purchase of new premises for Alumasc's Water Management Solutions business as it approaches full capacity over the next couple of years.

Paul Hooper, Chief Executive of Alumasc, commented:

"I would like to thank the management and staff of Dyson for their positive contribution to Alumasc over many years and wish all of them and the business continued success under new ownership.

The sale of Dyson represents another key strategic milestone for Alumasc, which has been transformed over recent years from a diversified group into a focused, growing niche building products business with significant further growth potential."

(b) Trading update

In the financial year ended 30 June 2016, the performance of Alumasc's continuing building products operations has been broadly in line with market expectations. Despite the short term impact on the UK construction markets of uncertainties surrounding the EU referendum towards the end of the financial year, the group has delivered growth and improving returns across a number of its niche building product businesses.

Cash generation continues to be strong, and Alumasc was already ungeared prior to the proceeds from the sale of Dyson announced today.

The group currently has close to record building products order books. Order book growth and visibility is the greatest at Levolux, our solar shading and screening business, which has seen a significant uplift in orders for exports to North America.

Whilst it is too early to tell whether the recent referendum result will have any effect on the group's business, we see long term structural drivers that support a positive outlook for revenue development across our business segments and enter the new financial year with strong order books.

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