

## ASX ANNOUNCEMENT

19 January 2011

### Settlement of Coote Logistics Business Sale

Key points:

- Disposal of non-core Coote Logistics business has been completed
- Favourable Group P&L impact

On Monday 17 January 2011, Engenco Limited ('Engenco') (ASX: **EGN**), announced that it had entered into a binding agreement to sell its Coote Logistics business to Keyhole Enterprises Pty Ltd, a member of the Stevenson Logistics group of companies ('Stevenson Logistics') with completion of the transaction scheduled for sometime during this week.

The Company is pleased to advise that completion took place earlier today.

Under the terms of the sale, all of the issued share capital of subsidiary FCD Container Logistics Pty Ltd ('FCD') which trades as Coote Logistics, together with all of the issued units of The Fremantle Container Depot (1996) Unit Trust, has been sold to Keyhole Enterprises Pty Ltd.

Based on the preliminary completion accounts prepared for the settlement it is anticipated that the transaction will generate an accounting profit on sale for Engenco.

Managing Director of Engenco, Vince De Santis, said that "the Company is pleased with the outcome and that the sale would remove another distraction for Engenco and allow it to focus on its core businesses. This was a business that was losing money with comparatively high fixed costs. It would have taken considerable effort and drawn upon the Group's resources to turn things around with a consequent opportunity cost for other parts of the Group."

As a result of the sale, Group bank debt will ultimately be reduced by approximately \$2.5 million upon receipt of all proceeds of sale including the vendor finance component.

#### About Stevenson Logistics

Stevenson Logistics are a Perth based family owned transportation business providing trucking, quarantine inspection and fumigation, import and export marine container

handling and other cargo transport logistics services in or about Perth, regional Western Australia and the Port of Fremantle.

**Contacts:**

**Mr Vincent De Santis**

Managing Director

T: +61 (0)8 9251 8000

E: [vincent.desantis@engenco.com.au](mailto:vincent.desantis@engenco.com.au)

**Mr Roland Stampalia**

Company Secretary

T: +61 (0)8 9251 8000

E: [roland.stampalia@engenco.com.au](mailto:roland.stampalia@engenco.com.au)