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Acquisition of Total Eden McCracken's

24 July 2007

Alesco is acquiring Total Eden McCracken's

- Total Eden McCracken's is a leading provider of water management products and services in Australia
 - Vendors are AMP Capital Investors and other vendors, including management
- Purchase price of approximately \$250 million¹
- Financially compelling acquisition
 - Purchase price represents a multiple of approximately 8.3x pro-forma normalised EBIT for the year ended 30 June 2007
 - 3.6% EPS accretive on a combined pro forma basis for the year ended 31 May 2007²
- Acquisition will be predominantly equity funded
 - \$187 million (net of costs) equity raising via a placement and entitlement offer
 - ~\$38 million in Alesco shares issued to Vendor Managers
 - Balance of purchase price funded through debt facilities
- Total Eden McCracken's will form Alesco's fifth division – Water Products & Services

1. The final purchase price will be determined based on the audited pro-forma normalised EBIT for the Total Eden McCracken's group for the year ended 30 June 2007. This is expected to be determined by the end of September 2007.

2. Before amortisation of intangibles and significant items and assuming an Issue Price under the Offer of \$12.45

Total Eden McCracken's overview

- Formed in 2006 from the amalgamation of Total Eden Water Systems in Western Australia and McCracken's Water Services on the east coast of Australia
- Provides water management products and services through more than 50 distribution and trade outlets across metropolitan and regional Australia
- End markets
 - Agricultural
 - Domestic
 - Commercial
 - Industrial
 - Mining
- Revenue of approximately \$220 million¹
 - Accounts for approximately 20% of Alesco's revenue and approximately 19% of Alesco's EBITA on a combined pro-forma historical basis for the year ended 31 May 2007 for Alesco and 31 March for Total Eden McCracken's
- ~540 employees

1. Combined pro-forma historical revenue for the year ended 31 March 2007

Total Eden McCracken's products and services

Major product lines

- Domestic and commercial watering and irrigation systems
- Pump products, including centrifugal and submersible pumps and pump accessories
- Water tank, grey-water and waste-water products and systems
- Stock watering systems, including solar pumps
- Agricultural irrigation systems such as travelling, centre pivot and lateral move
- Dust suppression, water transfer and filtration solutions
- Associated fixtures and fittings, including measurement and control devices

Services

- Design and installation of sophisticated water systems used in the agricultural, domestic, commercial, industrial and mining markets
- Repair and maintenance work

Total Eden McCracken's Locations

- Wide and growing geographic footprint with a presence in the four major Australian states

Key:

- Franchise / Agency
- Company Stores



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Consistent with Alesco's stated strategy

✓ Leading industrial brands

- Distributes a diverse range of industrial brands including Grundfos, Davey and Onga pumps, Iplex and Vinindex pipes, Nelson and Reinke centre pivots, Trialco travelling irrigation systems and Bushman, Nylex and EGR Plastics rainwater tanks

✓ Strong market share

- A leading supplier of water management and preservation products and services
- Strong presence in Western Australia and Queensland growth states

✓ Diverse customer and supplier base

- Broad customer base across a wide range of sectors including agricultural, domestic, commercial, industrial and mining
- Sells to over 5,000 “trade” style customers
- Broad range of global suppliers

✓ Niche markets – attractive industry dynamics

- Leading supplier across a wide and growing geographic footprint
- Australia's focus on water infrastructure and efficiency will contribute to market growth
- Fragmented market provides Alesco with growth opportunities through consolidation

Total Eden McCracken's growth outlook

- Industry dynamics are expected to lead to increased growth in demand for water management solutions
 - Greater focus on water infrastructure and efficiency in Australia by both governments and consumers
 - Changing weather patterns and a lack of investment in existing water infrastructure are likely to increase demand for water efficient products and services
- Strong organic growth is expected as a result of
 - Continued population and housing growth
 - Increased consumer focus on water conservation
 - Increased government regulation and investment in water infrastructure
- Ongoing acquisition growth opportunities
 - Fragmented market, particularly in regional Australia, provides consolidation opportunities
 - Eight new businesses acquired over the past two months to broaden the customer base, geographic footprint and product offering, particularly on the east coast
 - Alesco's experienced management team and balance sheet capacity following the Offer mean that Alesco is well positioned to take advantage of consolidation opportunities

Financial metrics and funding

- Purchase price of approximately \$250 million¹
 - Completion 1 August 2007
- Purchase price represents a multiple of approximately 8.3x pro-forma normalised EBIT for the year ended 30 June 2007
- Acquisition will be predominantly equity funded
 - \$90 - \$97 million Institutional Placement
 - \$96 - \$101 million Entitlement Offer
 - ~\$38 million in Alesco shares issued to Vendor Managers
 - Balance of purchase price funded through debt facilities

Sources of funds ²	\$m
institutional Placement (gross proceeds)	93.7
Entitlement Offer (gross proceeds)	98.5
Debt	21.7
Total	213.9

Uses of funds	\$m
Cash consideration to vendor shareholders	125.3
Retiring Total Eden McCracken's debt	82.0
Acquisition and Share issue costs	6.6
Total	213.9

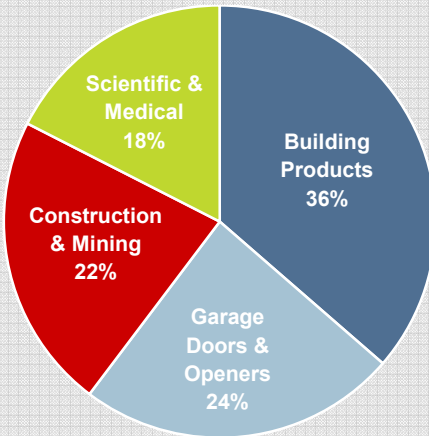
1. The final purchase price will be determined based on the audited pro-forma normalised EBIT for the Total Eden McCracken's group for the year ended 30 June 2007. This is expected to be determined by the end of September 2007.
2. Based on the mid-point of the indicative price range - \$12.45

Effect on Alesco

- Total Eden McCracken's will form Alesco's fifth division – Water Products & Services
- Acquisition is 3.6% EPS accretive on a combined pro forma basis for the year ended 31 May 2007¹
- Combined pro-forma revenue increases approximately 20%²
- Combined pro-forma EBITA increases approximately 19%²

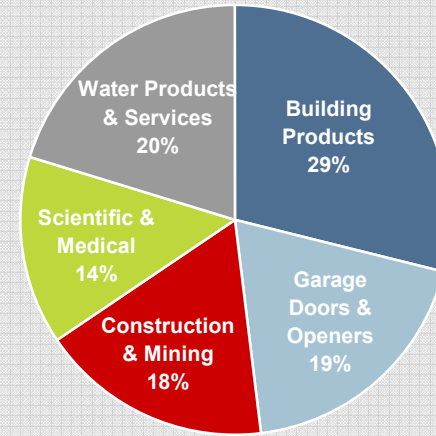
Pro Forma Revenue by Segment - Pre-acquisition

Total = \$857.8 million



Combined Pro Forma Revenue by Segment - Post acquisition

Total = \$1,076.8 million



1. Before amortisation of intangibles and significant items and assuming an Issue Price under the Offer of \$12.45
 2. Combined pro-forma historical revenue and EBITA for the year ended 31 May 2007 for Alesco and 31 March 2007 for Total Eden McCracken's

Pro forma balance sheet

- Pro forma book value of shareholders equity approximately \$571 million¹
- Pro forma gearing as at 31 May 2007¹
 - Gearing (net debt/net debt + book equity) 36.4%
 - Interest Cover (EBITA (pre-significant items)/net interest expense) 5.4x
- Implies up to \$244m additional borrowing capacity based on Alesco's net debt/net debt + equity target of 40% to 50%

1. Pro forma analysis based on 12 months ending 31 May 2007 and assumes an Issue Price under the Offer of \$12.45, the mid-point of the indicative price range. The pro forma financials include the last 12 months financials for Total Eden McCracken's for the period ending 31 March 2007

Offer and Investment Metrics

Issuer:	Alesco Corporation Limited						
Security type:	Ordinary shares (New Shares will not be entitled to the final dividend payable for the 6 months ended 31 May 2007)						
Issue size:	<table border="0"> <tr> <td>Institutional Placement:</td> <td>7.5 million shares</td> </tr> <tr> <td>1 for 9 Institutional Entitlement Offer:</td> <td>7.9 million shares</td> </tr> <tr> <td>Total:</td> <td>15.4 million shares (22% of capital)</td> </tr> </table>	Institutional Placement:	7.5 million shares	1 for 9 Institutional Entitlement Offer:	7.9 million shares	Total:	15.4 million shares (22% of capital)
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1 for 9 Institutional Entitlement Offer:	7.9 million shares						
Total:	15.4 million shares (22% of capital)						
Issue price:	<p>\$12.10 - \$12.80 per share</p> <p>(4.1% - 9.3% discount to 5-day VWAP (ex div grossed up for franking¹))</p> <p>(4.8% - 10.0% to last close (ex div grossed up for franking¹))</p>						
Alesco dividend (6 months to 31 May 2007)	\$0.36 per share (New shares will not be entitled to the final dividend payable for the 6 months ended 31 May 2007)						
Trailing Dividend Yield at Issue Price Range²	5.0% - 5.2%						
Pro forma 31 May 2007 normalised EPS³	81.4 cents per Share						
Trailing pro forma 2007 normalised P/E ratio at Issue Price range	14.9x – 15.7x						
Pro forma EPS accretion (trailing to 31 May 2007)	3.6%						
Joint Lead Managers and Underwriters:	Goldman Sachs JBWere and JPMorgan						

1. Based on Alesco's final dividend for FY2007 of 36 cents per share

2. Based on Alesco's full year dividend for FY2007 of 63.5 cents per share

3. Pro forma analysis based on 12 months ending 31 May 2007 and assumes an Issue Price under the Offer of \$12.45, the mid-point of the indicative price range. The pro forma financials include the last 12 months financials for Total Eden McCracken's for the period ending 31 March 2007

Proposed timetable

Trading halt announced:	8.30am Tuesday 24 July 2007
Record date for participation in Entitlement Offer	7.00pm Friday 27 July 2007
Institutional Placement	
- Bookbuild	4.00pm Tuesday 24 July 2007 – 3.00pm Wednesday 25 July 2007
- Allocations	By 10.00am, Thursday 26 July 2007
- Issue Price announced	By 10.00am Thursday 26 July 2007
Entitlement offer:	
- Prospectus lodged with ASIC	Tuesday 24 July 2007
- Opening date for the Retail Entitlement Offer	Tuesday 31 July 2007
- Closing date for Retail Entitlement Offer	Friday 17 August 2007
- Allotment and issue of New Shares	Monday 27 August 2007
- Expected date of quotation of New Shares under the Retail Entitlement Offer on a Deferred Settlement Basis	Tuesday 28 August 2007
- Expected date of quotation of New Shares under the Retail Entitlement Offer on a Normal Basis	Thursday 30 August 2007

Summary

- Alesco has an established track record of profitable growth
 - 15.1% compound annual EPS growth over the past 6 years
 - 17.6% compound annual dividend growth over the past 6 years
- Acquisition is consistent with Alesco's stated strategy
 - Leading industrial brands
 - Strong market share
 - Diverse customer and supplier base
 - Niche markets
- Acquisition is 3.6% EPS accretive on a combined pro forma historical basis for the year ended 31 May 2007¹
- Adds further scale and diversity to Alesco's portfolio
- Balance sheet capacity following the Offer to continue to grow by acquisition

1. Before amortisation of intangibles and significant items and assuming an Issue Price under the Offer of \$12.45

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The document refers, amongst other things, to a proposed capital raising comprising an Institutional Placement, Institutional Entitlement Offer and Retail Entitlement Offer (together, the Offer). An announcement regarding the Offer was made on 24 July 2007. A further announcement containing pricing details following the bookbuild process is expected to be made on 26 July 2007.

A prospectus for the Offer was lodged with ASIC on 24 July 2007. Any eligible person who wishes to acquire the securities will need to complete the application form that will be in or accompany the final lodged version of the disclosure document. That disclosure document will be available from ASX, from Alesco's website or by contacting the Alesco Offer Information Line on 1800 882 102 (within Australia). An application will be made to ASX within seven days of the date of the prospectus for the quotation of New Shares on ASX.