
NEWS

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BOUTIQUE BREWER IN \$5.4M EXPANSION INTO

NATIONAL STEEL HOUSING AND SHED GROUP

The emerging nationwide shortage of remote area housing – particularly in mining communities – is behind a strategic expansion into steel accommodation and shed supplies announced today by ASX-listed boutique brewer, Oz Brewing Limited.

The decision will generate a second and immediate cornerstone revenue driver for the Fremantle-based brewer and expose Oz Brewing to the burgeoning urban and rural demand for sheds, garages and pre-fabricated houses and offices.

The expansion comes at a time Oz Brewing is enjoying the rewards from its recently opened Mad Monk boutique brewery and retail hospitality premises in the heart of Fremantle's tourist precinct.

Under the terms of the new acquisition, which is subject to the completion by next March of all due diligence issues, Oz Brewing has entered into a Heads of Agreement to acquire 50.1% of Newco Pty Ltd (a newly incorporated company).

The new company will hold all of the assets of two Perth-based private companies, Shedco and Eco Transportable, with Oz Brewing also having a first right of refusal to acquire the remaining 49.9%.

Shedco – which has a current forward order book worth \$9 million - retails sheds, garages and pre-fabricated steel frames. It is a leading retailer in its home state, and operates display centres at Greenwood in Perth, Kalgoorlie, Nailsworth in Adelaide, and is currently developing a further three centres along the Ipswich Highway at Wacol in Brisbane; at Kenwick in Perth and in Darwin.

Eco Transportable has contracts to distribute on a national basis, and on a shorter entry timeframe than currently available in the marketplace, preassembled offices, living quarters (dongers) and homes to service the mining and allied industries.

It has also established a centre in Perth for prefabrication of transportable homes for the domestic market.

The acquisition price package includes a cash payment of \$1.5 million and the issue to the vendor of 20 million Oz Brewing shares at a deemed price of 10 cents each. Oz Brewing is also to complete a \$3.76 million 1-for-1 non renounceable rights issue.

The Company currently has 37 million ordinary shares on issue.

At least one third of the proceeds from the rights issue, however, have been earmarked by Oz Brewing to further enhance its flagship business, with the development of a second Mad Monk outlet at Dunsborough, south of Perth.

“There is a heavy demand for prefabricated mining accommodation, industrial buildings and park homes,” Oz Brewing’s Managing Director, Mr Trevor Pugh, said today.

“The market potential will also be exacerbated because of the growing shortage nationally of tradesman to build homes, and the fact conventional home ownership is increasingly out of reach for many families,” Mr Pugh said.

“Pre-fabricated steel designs offer an affordable alternative available in a much shorter timeframe than normal home builds,” he said.

“We would be confident of producing up to 1000 transportable accommodation units within four months, on current demand trends, with heaviest demand from WA, the Northern Territory and Queensland.

”This compares to current waiting period in the marketplace for such accommodation of 12-18 months.”

Shedco is already a major supplier to some of Australia’s leading mine sites but also supplies domestic steel garages and sheds and a range of rural property sheds and barns. Eco Transportable’s range of products include buildings engineered and designed to Australian Standards, including full cyclone ratings for the Pilbara and Kimberley regions of WA.

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