

# Stokes

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## Stokes badges business sold

**25 February 2013, Melbourne:** Stokes Limited (ASX:SKS) has entered into an agreement to sell its Stokes Badges business as it continues to restructure and focus on its appliance parts division. The trade sale for \$200,000 is expected to be completed by the end of March 2013 and will see the new purchasers take over ownership and operation of the badges, medallions & trophy manufacturing business.

Stokes management deemed the business to be a non-core asset and felt cash from the sale could be used to contribute to growth in other areas.

The business achieved annual revenues of approximately \$500,000 and was slightly profitable.

The sale of the business marks the end of an era for Stokes, being one of the foundation businesses since the company's inception in 1856. It has been at the forefront of technology and facilities in the sector and has produced a variety of custom-made products including the original 'Rising Sun' badges worn by soldiers of the 1<sup>st</sup> and 2<sup>nd</sup> Australian Imperial Force in both world wars. It also minted medals for the armed forces and other historic occasions such as Queen Victoria's Silver Jubilee.

The move is a further swing in the direction of growth and profitability with the Stokes Appliance Parts business as the driving force.

"While the Stokes Badges business has a rich history we felt this was a necessary part of the restructure of the overall company," said Con Scrinis, managing director and CEO of Stokes.

"We expect this raft of recent changes to translate into excellent value for shareholders moving forward."

In addition to this sale Stokes recently announced numerous redundancies as part of its restructure. These are expected to deliver annual cost savings of \$1.4M at a one off cost of \$844K.

In December Stokes acquired major competitor Grimwood Appliance Parts and conducted a successful \$2.34M capital raising.

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