



**AUTODOM**

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1 February 2011

Australian Securities Exchange  
Company Announcements Office  
10<sup>th</sup> Floor  
20 Bond Street  
SYDNEY NSW 2000

Dear Sirs,

**AUTODOM FIRST HALF RESULT AND FORECAST UPDATE**

Autodom Limited (Autodom) wishes to advise that the Company is expected to report an EBITDA of around \$1.4m leading to a loss of approximately \$700,000 before tax for the 6 months to December 2010. Furthermore, due to deteriorating automotive manufacturing conditions, the Company expects to achieve approximately 50% of the forecast profit of \$2.2m after tax for the full year ended 30 June 2011 as set out in the Prospectus issued pursuant to its recent Entitlement Issue.

The reforecast has been brought about by significant reductions in the anticipated production volumes of the three Australian based car manufacturers. Sharp reductions in the numbers of manufactured vehicles for November and December 2010 have been followed by lower forward orders than expected for the remainder of the current financial year. Autodom's business is directly linked to local car manufacturing volumes.

At an operating level the Autodom manufacturing plants are performing at reasonable levels of efficiency. However, an unanticipated reduction of 15% in revenue for the 2011 financial year to that which was originally forecast is difficult to bridge. Management is focused on cost reduction and productivity improvement measures. This is made difficult due to the fixed nature of many manufacturing costs.

The Company is pleased to advise that the Half Year results along with the amended outlook has not hindered the support of the Underwriter to the recent Entitlement Issue who is committed to underwriting the extent of the shortfall.

This change in circumstances has reinforced the board's long held view that only consolidation and restructuring of the automotive component manufacturing sector will ensure the long term survival of participants. The board will remain focused on assessing opportunities to ensure the Company is well placed to participate in this consolidation.

Yours faithfully,

**Tony Dale**  
**Managing Director**

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