



AUTODOM

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Australian Securities Exchange
Company Announcements Office
10th Floor
20 Bond Street
SYDNEY NSW 2000

Dear Sirs,

AI AUTOMOTIVE SIGNS A HEADS OF AGREEMENT TO ACQUIRE DAIR INDUSTRIES

The directors of Autodom (AIE) are pleased to announce that its wholly owned subsidiary aiAutomotive (aiA) has entered into a Heads of Agreement to purchase the business of DAIR Industries (DAIR), a Victorian based automotive components manufacturer.

DAIR is a highly regarded manufacturer of metal pressings and assemblies, injection and blow moulded plastic parts and cables. It is a key supplier to the Australian car manufacturers, in particular Ford and Toyota. Like aiAutomotive, DAIR has been active in recent years in acquiring and consolidating other component manufacturers and shares a view that consolidation in the automotive component manufacturing sector is essential to underpin its economic viability.

When added to aiA's sales DAIR's revenue base of \$45m will see the combined total approximating \$125m in the next financial year. The acquisition will add 220 people to aiA's current workforce of 330. There are considerable synergistic benefits to the acquisition and it will have an immediate positive impact on aiA's earnings.

Completion is subject to a number of conditions including full legal and financial due diligence to aiA's satisfaction. It is also subject to raising appropriate funding for the acquisition. This is challenging given the reluctance of traditional financiers to lend to the automotive sector. aiA will be seeking to access a number of funding sources. In addition there are several commercial considerations, which require negotiation with other stakeholders in order to reach a successful settlement.

The board of Autodom and the owners of DAIR are working cooperatively to achieve a successful outcome. Completion of the transaction is expected by the end of April 2010.

Details of the transaction will be advised to shareholders once the final sale and purchase agreement is executed.

Yours faithfully,

Tony Dale
Managing Director

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