

4 December 2014

Listed Company Relations
New Zealand Exchange Limited
PO Box 2959
Wellington

Dear Sir/Madam

ACQUISITION OF MACHINERY AUTOMATION & ROBOTICS PTY LTD (MAR)

We are pleased to announce today that we have reached agreement in principle to acquire the business and IP of Machinery Automation and Robotics (“MAR”). MAR is an established and very successful Australian automation and robotics company that is closely aligned to SCOTT, with products and markets that are complementary to SCOTT. This is a key development and fulfils our strategic expansion through a stronger presence in our international markets and our strategy to move up the value chain by providing smarter, interconnected robotics and automation.

We have completed our due diligence on MAR and will now work toward signing the agreement and finalising the transaction with a target settlement date of 31 January 2015. The transaction has a value of 13 million Australian dollars, subject to final adjustments, and is expected to contribute to the bottom line from day one. The purchase would initially be funded by bank borrowings and the Board will consider a capital raising in 2015 to reduce the company’s borrowings following this proposed acquisition and the recent acquisition of RobotWorx in the USA.

About MAR

MAR designs and manufactures industrial automation and robotic solutions for large and small scale production-critical companies seeking the competitive edge that high-tech automation and robotics provide.


The business was established in 1987 by Clyde Campbell who is the company’s Managing Director and CEO. MAR’s principal place of business is in Sydney, Australia where the engineering and manufacturing is undertaken, along with sales and service. MAR also has offices in Melbourne (sales, service and engineering), Brisbane (sales, service and training), Chile and Brazil, with a sales agent based in Perth.

MAR provides robotic and automation solutions and systems to a variety of industries including mining and meat processing, which are also key areas of focus for Scott. Other industries served by MAR include food production and packaging.

Similar to Scott, MAR offers a complete service from design, manufacture and project management through to implementation and on-going 24 hour support.

MAR's strengths in electrical, programming and controls, complements Scott's strengths in mechanical design and vision.

Yours faithfully



S J McLauchlan
Chairman
Ph: (03) 477 8192



C C Hopkins
Chief Executive
Ph: (03) 478 8430