

# Acquisition of JR Engineering Services Pty Ltd

**Document date:** Fri 26 Oct 2001

**Published:** Fri 26 Oct 2001 09:46:41

**Document No:** 247364

**Document part:** A

**Market Flag:** Y

**Classification:** Asset Acquisition

DOWNER EDI LIMITED

2001-10-26 ASX-SIGNAL-G

HOMEX - Sydney

+++++

MEDIA RELEASE

DOWNER EDI EXPANDS MINERALS PROCESSING DESIGN ENGINEERING AND  
MAINTENANCE CAPABILITY

Downer EDI Limited (Downer EDI) today announced that it had acquired the Perth based mine engineering, design, construction and maintenance company JR Engineering Services Pty Ltd (JRES).

The operations of JRES will form part of Downer EDI's mining division, Roche Mining. The operations of JRES will substantially enhance Roche Mining's capabilities in the design, installation and turnkey project management of mining infrastructure, including mineral processing plants, and the maintenance of mine operating plant.

Under the terms of the agreement Downer EDI will issue 23 million shares and pay a net cash consideration of \$19 million.

Managing Director of Downer EDI Mr Stephen Gillies said for the past eighteen months, Downer EDI has been carefully developing the capability to establish and execute a full service delivery mechanism to the company's mining clients.

"The activities of JRES combined with Queensland based MD Minerals Technologies, which also became a part of Roche Mining following the Evans Deakin Industries takeover earlier in the year, provide Roche Mining with a strong market position in the design, operation and maintenance of mineral processing plants.

"Consequently, on a go forward basis the engineering activities will generate in excess of 25% of Roche Mining's revenue for 2002," Mr Gillies said.

Since the start of the company in Western Australia in 1986, JRES has performed significant engineering/design projects and maintenance services contracts, and employs over 500 personnel in Perth, Kalgoorlie, Roxby Downs and Brisbane. The company has a particularly strong market presence in mineral processing plant maintenance in the Kalgoorlie area.

Downer EDI will retain all of JRES's management and field staff.

Mr Gillies said Downer EDI is forecasting an improved financial year for 2002, and JRES will assist in underpinning that optimism.

"Turnover contribution from JRES for this year will be slightly more than \$100 million, with historic profit before tax running at 8 -10%.

"Based on work on hand and past performance, we believe that the purchase will be EPS positive from day one and that the opportunities to execute a 'one-stop-shop' delivery have never been better," Mr Gillies said.

Contact: John Shuey, GROUP CORPORATE AFFAIRS MANAGER (02) 9251 9899  
or 0413 705 491