



LEMARNE CORPORATION LIMITED  
A.C.N. 004 834 584

**LEMARNE CORPORATION LIMITED  
SELLS ITS PACIFIC COMPOSITES' SUBSIDIARY  
FOR \$32.5 MILLION**

Lemarne Corporation Limited has today signed an agreement to sell 100% of the shares in its subsidiary Pacific Composites Pty Ltd for \$28 million in cash plus \$4.5 million in Exel Oyj shares with completion scheduled for tomorrow.

The buyer is Exel Oyj, a publicly listed company on the Finnish Stock Exchange and its Industry Division is the leading pultruder in Europe.

Commenting on the sale, Lemarne's Chairman, Brian Noxon said "Directors consider this is an excellent outcome for Lemarne shareholders and a further step towards simplifying and refocussing the Group. Pacific Composites has an excellent new home which should enhance its future growth prospects. In short we believe it is an unusually good fit which should also assist Exel expand its product range and better service its international customers. It is testament to the strength and quality of the Pacific Composites business which its management has built."

Exel's President and CEO, Mr Ari Jokelainen, said 'we are very pleased to have Pacific Composites skilled and experienced personnel join our group to develop our operations further on a global basis.'

The sale will result in a projected consolidated profit after tax of approximately \$16 - \$17 million. The final profit will depend on the cost of certain remediation work that Lemarne has agreed to undertake.

Directors expect to return a portion of the cash proceeds of \$28 million to shareholders with the balance being used to fund the growth of Lemarne through further 'add on' acquisitions and organic growth.

**E.B. NOXON**  
Chairman

27 February 2006