



ASX ANNOUNCEMENT

Acquisition of Mackay Maintenance Services

14 December 2011

ASX Limited

- **Acquisition of Mackay Maintenance Services (MMS Enterprises Qld Pty Ltd) based in Mackay, Queensland**
- **MMS is a leading provider of Industrial Services to the resource sector in the Bowen Basin, Queensland**
- **Acquisition of MMS provides Toxfree with a new geographic presence in the Bowen Basin to complement the groups existing operations in Rockhampton, Gladstone and South East Queensland**
- **Acquisition price of 4 times achieved EBITDA over the next 12 months with an upfront payment of \$3.9 M. MMS achieved historical FY11 EBITDA of \$1M**
- **Toxfree expect to further develop this business which is leveraged to the growing coal sector of Queensland through additional waste management services**

The Board of Tox Free Solutions Ltd (Toxfree) is pleased to announce it has entered into an agreement to acquire MMS Enterprises (Qld) Pty Ltd (MMS) based in Mackay, Queensland. The acquisition is subject to due diligence with completion expected to occur within the next 14 days.

The purchase price for the MMS business is four times achieved EBITDA over the next 12 months with an upfront payment of \$3.9 million, comprising \$3.3 M in cash and \$600,000 in existing asset finance. This price also includes approximately \$450k of net working capital assets. MMS achieved historical Earnings Before Interest, Taxes and Depreciation (EBITDA) of \$1,000,000 in FY11 and is experiencing solid operating performance year to date. The value of MMS plant & equipment assets are \$2 million which are included in this sale price.

The acquisition of MMS provides Toxfree with access to MMS's blue chip client base throughout the coal sector in the Bowen Basin in central Queensland. MMS complements Toxfree's existing operations in Rockhampton, Gladstone, Brisbane and the Gold Coast. Toxfree have a positive outlook on the resource sector in Queensland with approximately \$60 billion of capital investment in the coal sector expected over the next four years.

The acquisition will assist Toxfree in realising its strategy to provide total waste management and industrial services for the oil & gas and mining sector throughout Australia.

Mr Geoff Bird, Director of MMS, and Graham “Buster” Seymour General Manager have combined experience of over 40 years in the provision of industrial services to the coal sector in Queensland. Geoff and Buster will continue in ongoing employment with Toxfree.

Toxfree expects to improve the financial performance of the business through organic growth within the region; introduction of further industrial services and hazardous waste treatment, and synergies with Toxfree’s other resource industry facilities.



Steve Gostlow
Managing Director

About Tox Free Solutions Ltd (ASX code: TOX)

Tox Free Solutions Ltd (Toxfree) is one of the largest integrated waste management, industrial service and environmental businesses in Australia. The Company offers a full range of waste management services through its national network of licensed waste treatment facilities. In addition Toxfree are fast becoming the leaders in onsite industrial services, waste minimisation, resource recovery and total waste management services.

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