



ASX Announcement

28 July 2016

Acquisition of Electrical, Telecom and Data Communications Capability

Tempo Australia Limited (ASX: TPP) (Tempo, the Company) has entered into an agreement to purchase the core assets of specialist electrical, telecom and data communications contractor, Cablelogic Pty Limited.

The Tempo Board of Directors believe the acquisition represents an attractive investment opportunity which aligns with the Company's strategy of creating shareholder value by further enhancing Tempo's electrical delivery capabilities, extending its service offering to include telecom and data communication infrastructure expertise. It will also see Tempo extend its presence in the Pilbara region of Western Australia through a regional office and workshop in Karratha.

Additionally, Tempo will be able to leverage Cablelogic's successful 20-year track record of electrical and communication services provision to the Resources sector with companies such as Rio Tinto, BHP Billiton, Woodside and Chevron.

The investment in Cablelogic's core assets also brings other opportunities to Tempo, including:

- a strong track record of delivery with an established client base in the commercial and industrial building industry;
- recurring revenue streams through the delivery of long term electrical and communication infrastructure maintenance services across metropolitan areas; and
- a highly experienced operational team which will be located within Tempo's current headquarters, broadening Tempo's depth of expertise.

At the request of its Director Cablelogic was placed into receivership earlier this month. Utilising the knowledge Tempo obtained through previous working relationships with Cablelogic, and by working expeditiously with the receivers from McGrathNicol, Cablelogic's clients and employees, Tempo has been able to structure a deal which allows continuity in operations and retainment of all staff. The acquired assets include work in hand of approximately \$4 million, and an operational group with specialised plant and equipment that has delivered an average turnover over the past three years of approximately \$15 million per annum.

Tempo CEO and Managing Director, Max Bergomi, said that the recently completed due diligence process showed that Cablelogic's core business is profitable and scalable, but that previous investment in non-core assets, coupled with a weak balance sheet, had forced Cablelogic into receivership.

"We are excited about the potential synergies and new business growth opportunities that this acquisition will bring to Tempo," Mr Bergomi said.

"The acquisition of Cablelogic's core assets will help broaden Tempo's existing capability in the resources sector and enable the business to diversify into telecom and data communications in the commercial and industrial building sectors.



“Through this acquisition, we are confident that Tempo can not only drive efficiencies within Cablelogic’s operations, but also be a catalyst for the growth of its metropolitan and regional maintenance and service operations by enabling the business to leverage off Tempo’s balance sheet, systems, and personnel.

“The acquisition has been funded out of working capital, and will not impact our ability to fund Tempo’s current business or support future growth opportunities,” he said.

Mr Bergomi said the acquisition would not affect Cablelogic’s existing employees or clients.

“Our immediate priority will be to meet with all of Cablelogic’s people to outline our approach and reassure them of employment continuity,” he said.

“All existing customers of Cablelogic, most of whom have a long association with the company, will also be assured continued service under the new ownership structure.”

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About Cablelogic

Cablelogic, headquartered in Perth Western Australia, with a regional office/workshop in Karratha, is an electrical, telecom and data communications service provider to the Resources, Telecommunications, Commercial and Industrial Building Construction industries. Cablelogic also has a dedicated Service & Maintenance division offering electrical & data cabling services and maintenance support to organisations across WA.

Cablelogic was established in 1995 and has a proven track record of consistently delivering high quality services across multiple industries, through direct contracts with companies such as Rio Tinto, BHP Billiton, Woodside and Chevron.

In addition to providing electrical services, Cablelogic has extensive experience in turnkey fibre optic and communications cabling solutions including design, procurement, installation, terminations and specialist telecommunications carrier grade OTDR testing for LNG trains, gas plants and offshore platforms in both live and construction environments.

The group has also carried out significant fibre optic infrastructure services associated with iron ore rail automation projects in the Pilbara region, offshore oil and gas platforms in the North West of WA as well as working internationally in Mongolia on the Oyu Tolgoi gold mine project.



Amongst other projects in the Resources sector, Cablelogic has delivered electrical and communication services on the BHPB Mooka automated Ore Car Repair Shop project, the Chevron's Wheatstone Offshore Platform, and Woodside's Pluto and Karratha LNG Plants.

Outside of the Resources sector Cablelogic has undertaken a range of projects in both metropolitan and regional areas, successfully completing electrical and highly specialised telecommunications service projects for: Optus, Vodafone, Red Cross Blood Bank, Perth Children's Hospital and Esperance Hospital, Mandurah Aquatic Centre, Perth International and Domestic airports, and Government Departments.

Cablelogic's electrical services offering also includes a track record in renewable energy and energy management solutions for commercial and industrial clients encompassing solar PV grid connected and off grid systems as well as battery storage technology.

Cablelogic has a workforce of over 45 people including more than 30 front line employees and achieved Quality Assurance and OH&S certification to AS9001 and AS4801 as well as Original Equipment Manufacturers endorsements. Over the past decade Cablelogic has established training and development programs for its highly specialised resources and acquired international standard electrical and telecommunications test equipment such as OTDRs, Insertion Loss, Mobile Sweep and PIM test equipment.

About Tempo

Tempo Australia Ltd (ASX: TPP) is a services company to the minerals resources, energy and infrastructure sectors. It was established in 2011 and has specific expertise in the provision of Structural, Mechanical, Piping, Electrical & Instrumentation (SMPE&I) services, specialising in:

- construction (greenfield and brownfield);
- maintenance;
- sustaining capital works; and
- shutdowns.