



The Dominion Group is pleased to bring you our January 2009 edition of our quarterly "Dominion News".

This edition we provide brief industry snapshots on current equipment values in the automotive parts and aviation industries.

Please do not hesitate to contact our team should you require more detail on a certain topic.

Upcoming Auctions

2nd February 2009, UB Plastic Recyclers Pty Ltd, **Plastic Recycling Equipment**, under instruction from Vince & Associates.



4th February 2009, Redback Finishing (Aust) Pty Ltd, Mt Waverley, **Post Press Folding, Laminating, Gluing and Forming Plant and Equipment**, under instruction from PPB.

10th February 2009, Westmeats (Exports) Pty Ltd (Receivers & Managers Appointed) Dandenong South, **Export Boning Room Plant & Equipment**, under instruction from Ferrier Hodgson.

Industry Snapshot: Aviation

A Sudden Loss in Altitude?



Corporate aircraft sales could not dodge the turmoil of the 2008 economic meltdown with values impacted in the second half of the year. In the wake of economic failure, the aircraft market is searching for stability.

Here is a snapshot of the various aviation sectors:

Jet

Nearly all jet aircraft experienced a decline in value ranging from 7% to nearly 20% in the second half of 2008. As expected ageing aircraft were responsible for the more significant declines in value.

Industry Snapshot: Automotive Parts Manufacturing



A sorry tale...

The current economic environment has seen demand for new cars significantly reduce. Major car manufacturers are reducing production or exiting the Australian market.

The subsequent impact on component manufacturers who generally run on very tight margins has been significant.

There are currently 300 component manufacturers in Australia and there have been forecasts predicting that number will be reduced to 90.

Recent Dominion automotive valuations/auctions:

- Teson Trims
- PRP Corporation
- Ajax Fasteners

Market Factors

- Manufacturing equipment is very specialised.
- There is limited alternate use for equipment.
- Contracts are being awarded offshore.
- Landlords are now more savvy in negotiations
- Onsite auctions are absolutely recommended
- The removal of major equipment from an onsite auction impacts realisation results as buyers want to see equipment in a working environment.

Final Comment:

Turboprop

There was some good news for the Turboprop segment. The value of numerous DeHavilland Twin Otters have increased in the current market. Ag Turboprop aircraft values have remained stable in 2008.

All other aircraft in this category averaged 8% decreases in value.

Multi

Multi piston engine aircraft experienced declines in value closer to 5%.

Single

The single engine market remained relatively stable. The Ag planes experienced modest gains in the second half of 2008. Aircraft with unchanged values were in the \$100,000 range or less. For the most part decreases in value were minimal compared to other aircraft market segments.

Helicopter

Helicopter values remain stable. Late model single and twin turbines continue to hold value. Aging turbines as well as piston models experienced some decline in value (less than 5%).

Alastair Finlay is Dominion's expert aviation valuer with more than 15 years experience in this sector.

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This sector has never been pretty in a distressed exit and is only getting worse.

The Dominion Group: A National Presence

Dominion Group has in place affiliate companies in Western Australia, New South Wales, Queensland and South Australia (covering the Northern Territory) being:

- Dominion Group (Vic) Pty Ltd
- Dominion Lloyds Pty Ltd (QLD)
- Dominion Group (NSW) Pty Ltd
- Dominion Group (SA) Pty Ltd
- Gregsons Auctioneers & Valuers Pty Ltd (WA)

Dominion Group has 24 staff at our Melbourne office and access to the expertise of Dominion affiliated staff throughout Australia, including 17 professional valuers experienced in the full range of industry valuations.

Chain Reaction Charity Bike Ride

The Dominion Group is a proud sponsor of the 2009 Chain Reaction bike ride that is aiming to raise in excess of \$400,000 for children's charities The Starlight Children's Foundation Australia and the Cerebral Palsy Education Centre (CPEC).

The third annual Chain Reaction Challenge is a gruelling 1,000km, 7 day bike ride from Tasmania to Melbourne, held between the 7th and 13th of March.

If you would like to sponsor this great cause go to www.chain-reaction.org.au, click on the donation link, then Chris Leeds' profile and follow the prompts