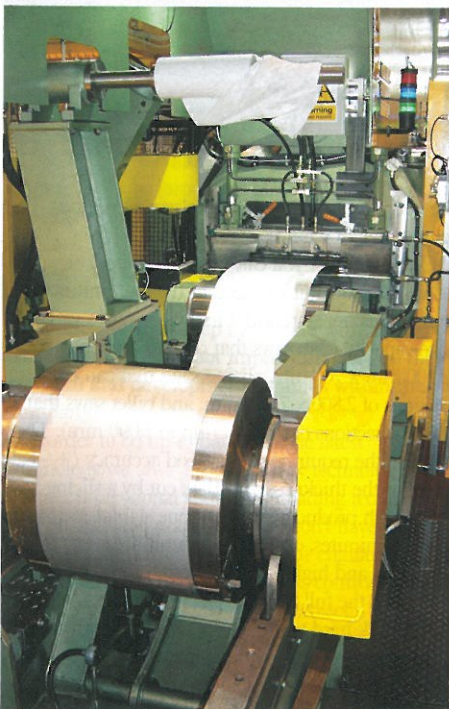


Asset valuation services bring revenue for used metal processing equipment

As a result of globalisation in recent years many western metal producers have relocated their operations to countries where manufacturing and labour costs are lower. This has resulted in the closure of some European facilities with a wide range of used metal processing equipment becoming available on the market.

Sometimes this wide range of used metal processing equipment is scrapped but more often it can be given a new lease of life by relocating the equipment and upgrading to current standards. In the case of rolling mills, much of the surplus equipment is limited in width having been built to satisfy the requirements that pertained at the time of manufacture. Major producers have increased production and productivity by increasing the width of their products but many smaller, second tier producers are more than happy to operate at narrower widths. Another change that has occurred is that the trend to higher quality products has led to a demand for improved rolling mill control and automation systems.

At the same time a tightening of the rules of good corporate governance has focussed attention on achieving the best return for shareholders from the sale of surplus and redundant assets, creating a demand for independent impartial valuation and sales advice. Whilst there are numerous dealers who may be willing to buy and re-sell this type of asset, there are few parties available with the professional and technical knowledge to provide a comprehensive package of formal valuation and sales advice. To meet this demand CJM Asset Management, chartered surveyors and industrial auctioneers, have formed a partnership with chartered engineers and mill builders Parkegate Engineering. The partnership brings together two companies that are specialist in their respective fields: CJM Asset management are chartered



Used Pechiney casting line at Comital SpA



Zenzimir Mill re-engineered by Parkegate (originally at Outokumpu and now in China)

surveyors specialising in the valuation, marketing and sales of machinery and equipment assets worldwide and Parkegate Engineering are chartered engineers with particular expertise in the engineering and re-engineering of rolling mills and process lines for both ferrous and non-ferrous industries. The CJM/Parkegate Partnership provides a single consistent source of valuation and sales advice together with re-engineering expertise to clients in the metal processing industry across the world.

In addition to asset remarketing CJM/Parkegate are authorised and qualified to produce formal valuations and chartered engineers certificates for a wide variety of purposes including financial reporting, mergers/acquisitions, impairment testing, insurance, asset backed lending and share transfer. Recent major projects for CJM/Parkegate include:

- Provision of valuation services to a major aluminium group for impairment testing purposes - this included inspection and formal valuations of all of the group's metal processing assets in several countries across two continents. Following the exercise the company has restructured its operations.
- Valuation, marketing and disposal of assets in Armenia for Armenal, a subsidiary of Russian giant Rusal - this included the valuation and marketing of a wide range of rolling mills and

foil converting equipment along with all associated equipment.

- Global marketing and subsequent sales of surplus aluminium extrusion presses and associated equipment for two major international producers of aluminium extrusions including the sale of a complete press line from Bulgaria to an end user in the USA.
- Disposal of surplus assets of the Comital Group. This follows the restructuring of Comital and their decision to concentrate on specific product areas. As part of this reorganisation, it was decided that Comital would no longer provide their own feedstock for foil rolling operations and in addition would concentrate on the production of wide foil. This exercise has freed up three foil mills, a foil separator, a number of foil annealing furnaces along with all support equipment. This equipment has been sold as a package to a major Indian group and the equipment is currently being dismantled prior to shipment to India and reassembly and recommissioning. For the same client CJM/Parkegate are currently marketing the contents of a 'state of the art' cast house including a Pechiney Jumbo 3CM high speed continuous caster, melting and holding furnaces, molten metal treatment equipment and ancillary equipment.

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