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Photo caption: A partnership between Keech Australia and Recolsa will bring Keech's Australian-made products into the Peruvian mining sector.

Keech continues expansion into South America

(January 2014) – Four years after its first move into the South American mining market, Keech Australia has taken the next step, signing a partnership with one of Peru's leading mining supply businesses.

The Recolsa group will work closely with Keech Chile, a stand-alone subsidiary of the family-owned Australian steel foundry set up in 2012 to market and distribute Keech products to the Chilean underground copper mining market. As of this month, Recolsa will handle orders for Keech in Peru.

Formed in 1980, Recolsa has specialised in manufacturing and reconstruction of parts for a wide range of primary and secondary industries, including mining. Widely known and respected in Peru's mining industry – and also with industry leaders in Australia – the company was a logical fit for what Keech wanted to achieve, said Mark Adams, the company's Export Sales Manager.

"We talked to a few reasonably large companies that we have an association with here in Australia and asked who they dealt with in Peru. They were all saying 'our mines there are serviced by Recolsa; you should talk to them'.

"It's always better to find reseller/dealer businesses that are well established, so rather than starting from scratch, we've expedited the process and aligned ourselves with a reputable, well established business that, like us, is family-owned and well-known and respected in the industry," said Mr Adams.

"We did our homework and looked at four companies over there, but Recolsa was the perfect match for what we want to do."

Mr Adams says Keech plans to continue its expansion into the South American market, with Brazil next in its sights, once the Peruvian partnership is working smoothly. Argentina, Bolivia and Colombia are also on the list and he expects the relationships will be similar to the partnership deal signed with Recolsa.

"This is a service-based industry, so you need people on the ground, at the coalface – literally – hence we're looking for distributors and dealers of our products around South America, which will allow us to have a more robust network.

There were obvious obstacles with a move into South America, he said, including language and culture as well as some other issues, but now the company has a multilingual team that understands the product and the industry and culture they are selling into. With those boxes ticked, Mr Adams said Keech can look to other countries.

“So we’ve based ourselves in Chile, and built up our base with an office and a warehouse that can also supply other countries in the region. Now we are spreading our reach into other South American countries and the best way forward is to use local businesses with local knowledge.”

The paperwork for this new partnership with Recolsa was signed just before Christmas, with the new business effectively opening its doors as of the new year. Mr Adams said Recolsa is already reporting substantial interest in Keech products.

“Out of everyone, Recolsa had the coverage we wanted,” Mr Adams says.

“They can cover the whole of Peru and all of our mining and engineering product range which includes everything from underground mining to open pit mining. Some of the others were focussed just on open pit, or just on underground, whereas Recolsa handles the whole spectrum of mining, so that was a major consideration for us.”

The move into South America is a natural progression for Keech. The company has had representation in Canada for around 12 years and has had an associate in South Africa for over a year. They also export around 20 per cent of their products to international markets, including Chile, Canada, Kazakhstan, Japan and the Middle East.

FOOTNOTE:

Keech Castings was established in 1934. Today it is one of Australia’s most awarded and innovative operations, with customers across the globe.

The company designs and manufactures high integrity steel castings, working with the industrial, mining, rail, defence and agricultural industries, producing stainless steel, steel alloys and SG castings.

In 2013, Keech was ranked seventh in the Business Review Weekly 50 Most Innovative Companies list, ahead of some of Australia’s largest organisations.

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