



Media Release

31 October 2006

NEXT CAPITAL ANNOUNCES INVESTMENT IN NZ HEALTHERIES

Private equity firm Next Capital today announced its third investment, acquiring New Zealand health food and supplement manufacturer Healtheries. Next Capital will acquire Healtheries from associates of Lanes Capital which has owned the business for the last 16 years.

Healtheries was established in New Zealand in 1904. Originally a speciality flour miller the company has grown into a market leader in supplements, functional beverages and healthy foods. The company employs over 200 staff and exports its products to more than 20 countries including Australia, UK and Singapore.

Next Capital co-founder John White said "We are pleased to have secured this investment into Healtheries, a leading Australasian health food supplier. We were attracted by the company's position at the forefront of product innovation and development as well as its highly experienced and well regarded management team.

"We believe there are many opportunities for growth in the rapidly emerging health and well-being sector in the Australasian market. The grocery supplement market has grown strongly in recent years driven by factors such as aging populations and an increased focus on prevention versus treatment," he said.

Healtheries Managing Director Sarah Kennedy said: "Next Capital have a proven track record of partnering with businesses like Healtheries to assist them in fulfilling their growth objectives. The Next team bring significant value to Healtheries in terms of strategic planning and operational enhancements."

Next Capital was established by three highly experienced principals – Sandy Lockhart; Patrick Elliott; and John White- who have between them more than 30 years of private equity experience and were formerly responsible for Macquarie Bank's private equity division, Macquarie Direct Investment Limited.

Next Capital launched in October 2005 having raised an initial fund of \$265 million from institutional investors. The Healtheries acquisition is the third investment for Next Capital with the company having acquired 75 per cent of New Zealand equipment rental and plant management services company, Hirepool and 55.6% of Brisbane-based steel manufacturer and distributor SteelForce earlier in the year.

At Macquarie they were responsible for a range of successful investments including: JB Hi-Fi; Invocare; The Reject Shop and CH4 (an ASX listed coal seam gas producer).

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