



Media Release

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NEXT CAPITAL MAKES \$109M ACQUISITION TO CREATE AUSTRALIA-WIDE HIRE GROUP

Private equity firm Next Capital announces the acquisition of two leading Australian hire companies— On Site Australia and On Site Industrial Rentals—to create an Australia-wide hire group focussing on the fragmented \$3.5b a year hire industry.

The transaction, which values the newly created On Site Australia group at \$109m on an enterprise basis, will see Next Capital acquire a 60 per cent interest in the businesses with the balance held by the vendors and senior management.

It is the firm's second foray into the hire industry and follows the NZ\$172m acquisition of New Zealand based Hirepool in July 2006. The investment is the sixth by Next Capital since it commenced investing approximately 12 months ago, representing \$563m in enterprise value of transactions completed in the firm's first fund.

Next Capital co-founder John White said: "We are delighted to have completed our second investment in the growing equipment hire market, having identified a national group that is ideally placed to capitalise on the ongoing consolidation in the sector.

"On Site Group was initially focussed on the industrial and construction markets but is now benefiting from the significant growth in heavy construction and mining infrastructure development, where there is a growing trend toward hiring rather than buying equipment. This, combined with its experience supplying site accommodation and portable toilets to the residential and commercial construction industries, positions the Group to benefit from all areas of industry growth.

"On Site Group also represents an excellent strategic fit with our existing Hirepool business which has already delivered double digit earnings growth underpinned by additional investment in a range of growth initiatives since acquiring the business. We anticipate significant efficiencies being unlocked as the businesses operate as one in coming years," he said.

On Site Rentals founder, Malcolm Williams said: "We had spoken with a number of private equity firms but Next Capital represented the best fit for us in terms of our strategic growth objectives and the culture we have built in recent years. We see tremendous opportunity to develop additional products for our existing

customer base by leveraging their Hirepool relationships, as well as further greenfield and acquisition opportunities,” he said.

On Site Industrial Rentals Managing Director, Trevor James said: “Having Next Capital as a partner has cemented our position as a well capitalised group, perfectly positioned to take advantage of the booming QLD and WA industrial rental markets. We can now continue with our fleet, product and location expansion,” he said.

About Next Capital

Next Capital launched in October 2005 having raised an initial fund of \$265 million from institutional investors.

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.

At Macquarie they were responsible for a range of successful investments including: JB Hi-Fi; Invocare; The Reject Shop and CH4 Gas.

About the On Site Group

Established in 1990 with the opening of its first sites in Sydney and Wyong, On Site Australia, has 11 locations in Sydney, Newcastle, Brisbane, Townsville, Melbourne, Perth, Karratha, Kalgoorlie, Bunburry and the Gold and Sunshine Coasts.

It has experienced earnings growth in excess of 15% in recent years supplying site accommodation and portable toilets to the construction, industrial and special events industries. Much of this growth has been realised through the provision of services to events such as the Royal Easter Show, events hosted by the SCG Trust and the national Big Day Out concert series.

On Site Industrial Rentals started with an initial fleet of 80 machines in 1999 and has since expanded its fleet by approximately 40% per annum. Today it has over 1,000 access machines servicing Sydney, Brisbane, the Gold Coast, Melbourne, Perth, Kalgoorlie and Bunburry and is a market leader specialising in the commercial rental of scaffolding and access equipment including scissor lifts, fork lifts and boom lifts.

The business will operate under the On Site group brand with 10 hub and spoke branch networks across the country.

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