



Media Release

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NEXT CAPITAL TARGETS INFRASTRUCTURE SECTOR THROUGH \$90M ACQUISITION OF RPG AUSTRALIA

Private equity firm Next Capital today announced the acquisition of a 73.6% stake in Australia's largest provider of steel towers to the burgeoning wind farm market in Australia, RPG Australia. RPG is one of the largest integrated steel profiling and steel processing companies of its type in Australia with expertise in all aspects of infrastructure development.

The transaction, which values RPG at \$92m, is the fifth by private equity firm Next Capital since July 2006 and takes to \$456m the enterprise value of transactions completed in the firm's first fund. It is the second foray into the steel sector for the firm following the purchase by Next Capital of 55.6 per cent of Brisbane-based steel manufacturer SteelForce in July last year.

Built from predecessor firms operating for more than 60 years, RPG operates from two locations in Queensland and one site in Adelaide and employs more than 250 staff. It is the largest provider of steel towers to the flourishing wind farm market and a significant provider of large diameter piping to the booming Australian mining and infrastructure sectors. Last year RPG completed 30,000 jobs for more than 1,600 customers.

Next Capital co-founder Patrick Elliott said: "The firm is delighted to have completed its second significant investment in the steel industry. RPG is strategically poised to capitalise on the substantial growth in private and public infrastructure investment with core markets in renewable energy, water, ports, defence, mining and construction.

"It has already evolved as the leading supplier of steel towers to the rapidly growing wind farm market and has undertaken significant projects in public water infrastructure and port expansions. Next Capital is well placed to assist RPG through the next phase of its expansion which will see significant new investment in plant and equipment to leverage off major public and private investments announced for ports, water, rail and road infrastructure. RPG has already established itself as a quality local source of supply for large scale infrastructure projects," he said.

RPG Managing Director, Mr Barry Cox, said: "Next Capital brought the best combination of factors to this transaction including a long-term vision and a track record of adding value at a strategic level as well as capital that will allow us to take advantage of opportunities through investment in plant, equipment and people."

"The private equity route represented the best of all outcomes for RPG giving us the ability to grow on our already successful business model to further boost sales and increase productivity," 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 then 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 RPG

RPG provides steel processing services to a diverse range of customers across Australia. In the year ended 30 June 2006, RPG traded with over 1,600 customers which range from small engineering shops to large construction and mining equipment manufacturers. RPG processes approximately 30,000 jobs per annum.

RPG has one of the largest ranges and capacities of plant and equipment for heavy steel plate processing in Australia. Due to the nature of the plant and equipment, there are significant barriers to entry due to the capital investment required and skill base needed to service the requirements of the numerous Heavy Engineering Industries.

RPG has provided components for a number of major projects including: Port of Brisbane Wharf Expansion Project; Port Kembla Wharf Expansion Project; Dalrymple Bay Piling and Head Stocks; Comalco Alumina Refinery; and Warragamba Dam Heavy Pipe Infrastructure.

For further information:

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