



March 2007



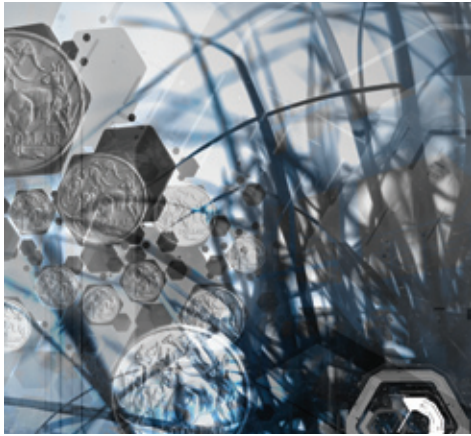
Private Equity

Specialists in mid-market buy-outs

We aim to be the partner of choice for management teams considering an MBO. Our local knowledge and networks enable us to be a financier who adds value through supporting future company growth.

AMP Capital is an active investor in Australian businesses. Since the early nineties, we have invested over \$550 million in supporting the growth of 33 businesses.

Our Private Equity team comprises professionals who source, execute and manage Australian Private Equity investments. We focus on established mid-market businesses with an enterprise value of \$20–\$100 million. We provide funding for management buy-outs (MBO), management buy-ins (MBI), industry consolidation and money out transactions. Our preferred equity investment is between \$10 million and \$35 million.



Our Private Equity business

Investment style

Our investment style is based on a partnership model, where we provide assistance with strategy, financial support, operations and introduction of industry specialists that can assist a business to expand its products and/or markets. We take Board representation and maintain an active involvement in the direction of the business, without interfering with the day to day operations. As active investors we work closely with management, recognising that business needs and economic conditions will change over time.

Our commitment to management

Superior management creates superior value. We commit to provide the financial and other resources required for management to deliver the vision set for a business. Critical to aligning the interests of AMP Capital and the management team is the creation of significant financial incentives for management to reward superior performance.

Our commitment to owners

We commit to constructive win-win outcomes for all parties in a transaction. Our “what you see is what you get” approach to transactions means that we quickly present deliverable proposals to owners. For owners this means faster outcomes with no surprises. We also support owners retaining equity in the business and partnering AMP Capital in the next phase of the business life.

Our commitment to advisors

We focus our resources on a relatively small number of transactions. We quickly assess whether a deal meets our investment criteria and provide prompt feedback, and are efficient at bringing deals to a timely completion.

What we look for in a business

We are selective in our investment decision making process. Investee companies need to exhibit competitive services/products, a successful management team, a solid financial track record and the potential to grow the business.

“AMP Capital understood our business model and the opportunity. They completed the MBO in six weeks.”

Geoff Heatley
Jeminex Limited

We apply clear qualifying criteria when considering investments. We typically have an Australasian focus and encourage the development of international operations and export markets.

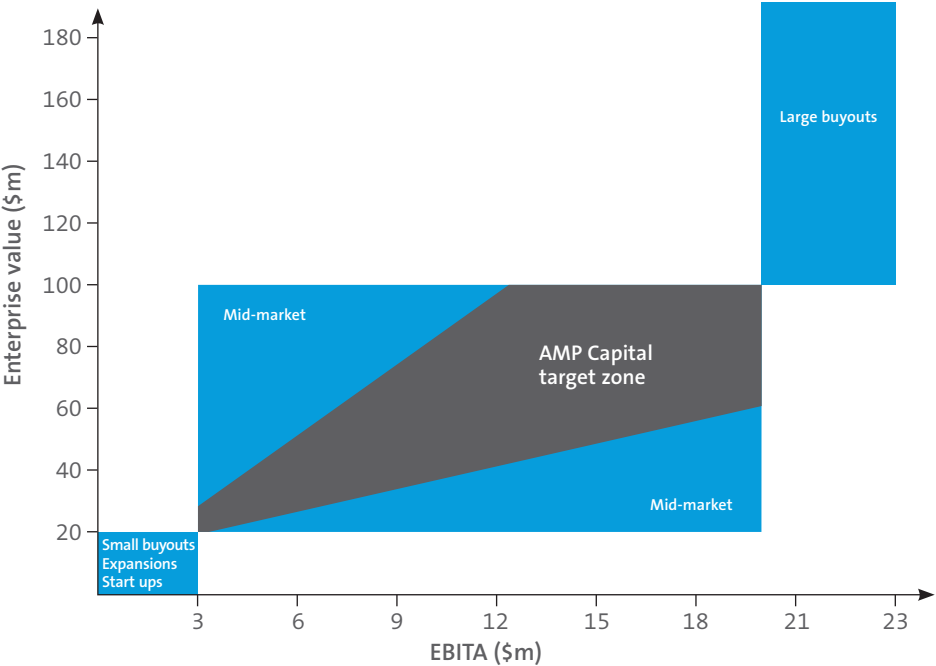
Our criteria for Private Equity

We look for the following characteristics before investing in a business.

Financial characteristics	Transaction type
EBITA \$3m – \$20m	Management buy-out
Enterprise value \$20m – \$100m	Management buy-in
Our equity investment \$10m – \$35m	Roll up/consolidation
	Money out/succession






Company criteria	Preferred sectors/styles
Strong management with demonstrated success and the highest standards of integrity	Target investment opportunities across most industries – previously partnered with:
Strong market positions	Manufacturing
Substantial growth potential	Business services
Significant and sustainable competitive advantage	Branded goods
An established track record of profits	Healthcare
A defined business plan to exploit growth opportunities	Financial services
	Businesses with international operations or the potential to expand

Mid-markets – typical AMP Capital target investment



Private Equity team

The Private Equity team draws on its collective knowledge of and experience in major industries of networks and business to business relationships, to maximise the outcomes of our portfolio. Investments are assigned to individuals as demonstrated below:

Name	Key responsibility	Years of Private Equity experience	Years at AMP Capital	
	<p>Greg Smith Head of Private Equity Dip Acc Phone: 02 9257 1430</p>	<p>Current responsibility Orthopaedic Group, Mitchell Corporation, Sabre Corporation, MCK, Ladelle, Dun & Bradstreet</p> <p>Prior experience Audant Capital Services (10 years) Audant managed over 40 investments in the \$5 million – \$50 million market range</p>	<p>20</p>	<p>10</p>
	<p>Paul Readdy Director Private Equity B Comm, CPA Phone: 02 9257 1431</p>	<p>Current responsibility Australasian Shopfitting Co., National Fire Solutions, United Equipment</p> <p>Prior experience • Accounting and finance (7years)</p>	<p>6</p>	<p>6</p>
	<p>Bill Cook Operations Director Phone: 02 9257 1432</p>	<p>Current responsibility Ausfuel, MCK, Total Eden, Orthopaedic Group</p> <p>Prior experience • Investment: Consolidated Press Holdings (15 years) • Operational/Executive Roles: Electronic Banking Solutions – Business Development, Qantas Flight Catering – GM</p>	<p>17</p>	<p>3</p>
	<p>Peter Ludemann Director Private Equity BComm LLB Phone: 02 9257 1440</p>	<p>Current responsibility Jeminex, Orphan, Runge</p> <p>Prior experience • Venture Capital, Private Equity Law and Corporate Finance</p>	<p>5</p>	<p>0.5</p>
	<p>David Fallu Director Private Equity LLB (Hons), B.Bus, Sa Fin Phone: 02 9257 1442</p>	<p>Current responsibility Kramar, Sabre, Total Eden</p> <p>Prior experience • Executive at Allco Equity Partners • Investment Banker at Bankers Trust and Caliburn Partnership</p>	<p>5</p>	<p>0.5</p>

Name	Key responsibility	Years of Private Equity experience	Years at AMP Capital
 <p>Andrew Windsor Fund Controller Equities and Fixed Interest B Ec, CA Phone: 02 9257 1427</p>	<p>Current responsibility Fund accounting for current products</p> <p>Prior experience</p> <ul style="list-style-type: none"> • CA tax & business services (7 years) • Fund accounting (4 years) 	2	2
 <p>Marisa Zammit Team Assistant BA Comm Phone: 02 9257 1441</p>	<p>Current responsibility Team operations, marketing</p> <p>Prior experience</p> <ul style="list-style-type: none"> • Marketing communications (7 years) • Business development (2 years) 	2	2
 <p>Jiren Zhou Investment Accountant B Comm Phone: 02 9257 1515</p>	<p>Current responsibility Fund accounting for current products</p> <p>Prior experience</p> <ul style="list-style-type: none"> • Fund accounting/Trust accounting (2 years) 	3	2

Portfolio

The following are the investments we currently hold in our portfolios.



National Fire Holdings (2006)

National Fire is a full service provider of fire protection and maintenance services. Established in 1999, the business has enjoyed exceptional growth, becoming the provider of choice to many of Australia's most respected construction and facility management companies.

AMP Capital acquired a majority shareholding in late 2006, and is focussed on partnering with NFS to build a national platform.



Australasian Shopfitting Co (2006)

Australasian Shopfitting Co. (ASF) is the leading retail shopfitting company in Australasia with a fully integrated national infrastructure (including a presence in New Zealand).

ASF services the fit-out, procurement and project management needs of its national retail customer base, which includes such companies as Just Group, Reece, Telstra, etc.

In addition to new store requirements, ASF services the shopfitting needs of approximately four thousand stores for its customer base.

AMP Capital acquired a majority shareholding in late 2006, and is committed to supporting the development and growth of the business over coming years.



Orthopaedic Group (2006)

OGL is the new parent entity for the North Sydney Orthopaedic and Sports Medicine Centre ('NSOSMC'). In 1984, the NSOSMC was established by a small group of orthopaedic surgeons, sports medicine physicians and physiotherapists. It meets the growing medical and rehabilitation needs of people injured in sporting, recreational or working activities.

The orthopaedic practice at NSOSMC is recognised as one of Australia's leading orthopaedic groups.

With the support of AMP Capital, OGL proposes to roll up a number of orthopaedic practices to create a Sydney base and then to make acquisitions in other states to create a national orthopaedic group. This will be achieved by using a similar model as the 'Vision Group Holdings' investment, which was successfully listed in December 2004 by AMP Capital Investors. In September 2006, AMP Capital invested \$14.25 million to acquire an effective 22.4% interest in OGL as part of a Management Buy-out transaction.



Total Eden (2005)

Total Eden are installers of drip irrigation and other water management systems for domestic properties. The company also undertakes major design and construct projects for industrial applications such as horticultural businesses, golf courses, parks & gardens and schools. AMP Capital acquired a majority shareholding as part of a management buyout. We believe the water management industry is likely to deliver significant growth and the Total Eden business has a very good model that is capable of capitalising on that opportunity to develop into a national business.



Runge (2005)

Runge is a leading supplier of engineering consulting and software services to the mining sector. The company was founded in 1977 and has grown substantially providing mine planning and mine business planning services, in addition to creating its own unique technical software products that are sold globally. In 2005 Runge acquired Pincock Allen & Holt, a Denver, USA based consulting firm to extend its global consulting business. AMP Capital acquired a 26% equity stake from the founder in October 2005.



Kra-mar Pet Supplies (2005)

Kra-mar is a leading importer, manufacturer and distributor of pet accessories. These products are distributed nationally through grocery stores, discount department stores and specialty pet retailers. AMP Capital acquired 70% of Kra-mar, in conjunction with existing management, through a sell-down from the family owners in October 2005. We see opportunities to expand the business' strong position in the pet accessory market through organic growth, and potential acquisitions.



United Equipment (2005)

United Equipment is a materials handling, distribution, rental and service business. United represents world leading brands such as Nissan (forklifts), Merlo (telescopic handlers), JLG (elevated work platforms) and Raymond (electric forklifts) whilst commanding a rental fleet in excess of 4,000 units. AMP Capital provided the catalyst for the formation of United through amalgamating four operations in Victoria, Western Australia and Northern Territory. AMP Capital are committed to supporting the continued national expansion and development of the United Group.



Jeminex – formerly Heatley Holdings (2005)

Jeminex is a national distributor of industrial and safety products. In April 2005, AMP Capital backed an MBO of Western Australian based Heatley Sales, providing the catalyst for the management team to undertake a successful industry roll-up. Jeminex has acquired ten businesses since 2005, increasing revenues to more than \$160m.



Orphan Australia (2005)

Orphan Australia is a niche distributor of ethical pharmaceutical products. Orphan was established in 1995. Since then the company has enjoyed strong growth and has established a leading position in its market. AMP Capital provided the founder with the opportunity to realise part of his investment whilst providing the catalyst to broaden ownership participation with management.



Ladelle (2004)

Ladelle is a leading textile based homewares business with 50% plus share of the Australian kitchen and dining textile sector. AMP Capital acquired Ladelle as part of an MBI transaction in 2004. We see significant opportunities for Ladelle to leverage its strong brand and reputation to undertake an expansion of its business through both acquisition and organic growth.



Ausfuel (2003)

Ausfuel is the parent entity of Bulktrans, AFD and other group companies. Bulktrans is a long haul remote area transport operator delivering fuel for Australian Fuel Distributors (AFD) and for BP Australia and Caltex to remote areas of Northern Territory, Northern Western Australia and the Mt Isa region in Queensland. AFD is an established fuel distributor that has operated in the Northern Territory for over 20 years. AMP Capital's investment provided the catalyst to consolidate the two businesses, AFD and Bulktrans, and thereby providing a seamless succession outcome for the family.



Mitchell (2003)

Mitchell Corp is a long haul, remote area transport operator providing services to major mining operators in Western Australia. Mitchell Corp was established in 1998 by Craig Mitchell and operations expanded organically and by acquisition. AMP Capital's investment provided funding to grow the business.



Sabre (2003)

Sabre owns the Fudge hair-care range and is a licensed distributor of the Joico hair-care range. The company has operations in Australia, New Zealand, UK and Europe. AMP Capital's investment in Sabre was achieved by completing a public to private MBO in August 2003. The company continues to develop its product range in the hair-care line, whilst further developing its core Fudge brand.



Dun & Bradstreet Australasia (DBA) (2001)

Dun & Bradstreet began operations in Australia in 1888. Today it is the leading business credit information provider and a leading player in the debt collection market. DBA maintains a valuable database of business information, which is collected from a variety of proprietary and public sources and then used to create products, which are sold to customers (eg. credit reports or marketing lists) or are used to support other services (eg. debt collection).



MCK (1999)

At the time of our original investment, MCK was a diversified industrial group, involved in the manufacture and distribution of non-ferrous metals and metal components, associated downstream metal products and plastic thermoformed products. The portfolio of businesses have since been sold and Plexicor remains. Plexicor is a supplier of plastic and textile components to the automotive industry, with long term contracts with the major auto manufacturers.

Track record

Profile of some of our recent exits:



Olex Holdings Pty Limited (1999–2006)

Formed through the merger of Olympic Cables and Nylex Cables, Olex was a leading player in the Australasian cable market. AMP Capital led the acquisition of Olex's business from Pacific Dunlop in 1999, backing key Olex senior management.

Despite difficult trading conditions, AMP Capital oversaw a reinvestment programme that saw the company undertake a substantial restructuring program that reduced costs, improved efficiency, raised the brand profile and achieved a closer alignment with key customer needs through the development of new products and services. Olex also focused on expansion into new markets. These initiatives transformed Olex into a highly profitable business and provided a solid platform for sustained future earnings growth.

AMP Capital successfully sold Olex via a competitive trade sale to Nexan's in 2006, achieving an IRR of approximately 20% and 3.5 times the original investment.



Vision Group Australia (2001–2004)

With the support of AMP Capital, Vision Group was created in November 2001 to lead a consolidation of the ophthalmic surgery sector in Australia. By June 2004 Vision had expanded into Sydney, Gold Coast, Townsville and Melbourne suburbs. Vision Group had grown fourfold in terms of procedures, revenues and profitability. This rapid growth was a testament to the strength of the management team and Board and the effectiveness of the doctor equity model that was developed by the CEO in partnership with AMP Capital. Vision Group was listed on the Australian Stock Exchange in December 2004 at an Enterprise Value of \$190 million generating an IRR of 45.2% and over three times the original investment.



Multix Pty Ltd (1997–2004)

In November 1997, AMP Capital supported a management buy-in of Multix Pty Ltd from Amcor. At the time Multix was a clear number two in the supermarket category of bags, wraps & foils; with about 25% market share. During the period of our ownership, Multix was transformed into the market leader in almost all segments of these categories. The business was sold to McPhersons Ltd in October 2004 for \$70 million, generating an IRR of 22% and three times the original investment.



Tasman Building Products (1998–2001)

In 1998 we jointly led an investment consortium to fund the \$144 million management buy-out of the non-timber building products businesses of Carter Holt Harvey. AMP Capital's equity stake in Tasman Building Products was 44%. Tasman's strength was its spread of revenue source and quality of its management team, enabling it to be profitable in good and bad building markets. We exited Tasman Building Products in November 2001, achieving a 32% IRR and a multiple of 2.6 times the original investment.



Robinsons Industries (2001–2004)

Established in 1980, Robinsons manufacture rangehoods in New Zealand and Australia, and laundry tubs in New Zealand. Product range includes canopyhoods, rangehoods, rangehood ducting, laundry tubs, built in ironing centres and waste disposals. Robinsons owns the brand names, Robinhood and Supertub. AMP Capital invested in Robinsons in 2001, providing expansion capital and funds to buy out the founding shareholder, Noel Robinson. The business was sold to Alesco in 2003 achieving a 30% IRR and 1.5 times the original investment.



Kevin Clarke
Chairman, Jeminex Limited

“Jeminex creates value for shareholders through an industrial roll-up strategy that brings together AMP Capital Investors’ financial resources and discipline, specialist industrial expertise and high standards of corporate governance.”

Succession and roll up case study

Jeminex Limited (formerly Heatleys)

About Jeminex

Jeminex was formed in April 2005 to acquire the industrial supplies business built up by Geoff Heatley over the previous 18 years. Geoff believed that combining specialist industrial suppliers like Heatley Sales would create economies and improve the competitiveness of those businesses. Geoff knew others in the industry who had built successful businesses but who, like him, had most of their personal wealth tied up in those businesses. At the same time, young enthusiastic managers were looking for an opportunity to acquire equity in the value they were increasingly responsible for creating.

The vision

AMP Capital approached Geoff with a proposal to deal with his immediate issues – the sale of the majority of his shareholding to unlock capital while retaining a continuing interest, creating an opportunity for key managers to acquire shares and assisting the existing business to grow.

AMP Capital’s acquisition of a majority stake in Heatley Sales was a win-win result. Geoff and AMP Capital then set about finding similar businesses with founders likely to be in the same position as Geoff to create a national industrial supplier with the same commitment to customer service and product innovation that had made Heatleys such a success.

Roll ups

Jeminex found no shortage of suitable candidates – in fact, over the next 18 months Jeminex acquired ten businesses and lifted group revenue to more than \$160m. Jeminex now operates three core divisions:

- Heatley Sales, which has expanded its branch network throughout WA and SA,
- Beaver Sales, a specialist supplier of materials handling and lifting equipment throughout Australia,
- Australian Safety Specialists, a specialist supplier of safety equipment and clothing.

Kalgoorlie Mining Works, Torrens Trading, Network Packaging, Planet Safety and Total Trade Supplies have been integrated into these core businesses. The founders of each business have had the opportunity to retain a shareholding in Jeminex and the key managers of each company have also acquired equity in the consolidated business. As a result Jeminex now has more than 40 shareholders and it recently converted to an unlisted public company.

The result

Jeminex is now a national supplier of industrial products with significant economies of scale. In 2006, Mr Kevin Clarke joined as Executive Chairman. Mr Clarke was CEO of Alesco Corporation Limited between 1995 and 2006, a period during which that listed company achieved compound earnings per share growth of 6.8% pa. Between 2001 and 2005 an investment in Alesco generated a total return of 468%. Alesco implemented a business plan of aggregation similar to the Jeminex strategy.

The original management teams of the core business continue to run those operations with the benefit of support from a head office team including a CFO with large public company experience. The Group has adopted the cultures of customer service and employee satisfaction that made each individual business successful.

The founders of each business have achieved their goals of unlocking personal wealth, retaining part of the unrealised upside associated with their businesses and creating an opportunity for key managers to receive an equity reward for their efforts.



Dr Harry Unger
Chief Executive Officer, Vision Group

“The doctor partnership model, at the heart of Vision Group, aligned the interests of all shareholders.”

Industry consolidation/rollup case study

Vision Group Holdings

About Vision Group

With the support of AMP Capital Investors, Vision Group was created in November 2001 to lead a consolidation of the ophthalmic surgery sector in Australia. The strategy was a highly successful one, with Vision Group now the leading provider of ophthalmic services in Australia.

The rollup strategy

AMP Capital’s investment strategy was to:

- grow the business by acquisition through the eastern states;
- consolidate the various practices, using a professional management team;
- develop a doctor equity model to attract, retain and incentivise key doctors; and
- achieve an EBITA of circa \$15 million by 2005.

The outcome

During the three years 2001–2004, the business grew organically and through acquisitions, expanding from its initial base in Melbourne, into Queensland and New South Wales.

The business exceeded all key targets (see below):

	FY02	FY05 at IPO
Turnover	\$12 million	\$54 million
EBITA	\$4 million	\$18 million
Doctors	4 partners / 14 total	17 partners / 40+ total
Sites	2 surgeries / 5 consulting	7 surgeries / 12 consulting / 4 laservision
Value	\$28 million	\$190 million

The doctor partnership model developed by AMP Capital Investors and Chief Executive Officer of Vision Group, Dr Harry Unger, was the key to Vision Group’s spectacular success. Dr Unger sums it up this way “The doctor partnership model, at the heart of Vision Group, aligned the interests of all shareholders and gave the company greater capacity for continued growth, whilst maintaining Vision Group’s key tenets of doctors’ medical sovereignty, technological innovation and the pursuit of surgical and operational excellence.”

On 17 December 2004, AMP Capital fully exited its investment in Vision Group through an initial public offer on the Australian Stock Exchange. The company traded well, with the share price up 90% by end August 2005. As a result, we realised over three times our invested funds, generating an IRR of 45.2% over the three year holding period.



Andrew Stobart
Managing Director, Olex Cables

“It is clear that the decision to reinvest and reposition the Olex group was instrumental in setting the business up for a highly successful result for all of our stakeholders.”

Investment life cycle case study

Olex Cables

About Olex

Formed through the merger of Olympic Cables and Nylex Cables. Today, Olex is the clear market leader and the most profitable Australasian power cable product and service provider. Olex’s leading market position has been secured through technological innovation, high quality products and high service levels. Its products are used in the construction, power and industrial markets.

AMP Capital’s investment – a successful long term approach

The Olex division was put up for sale by Pacific Dunlop in 1999. Backing key Olex senior management, AMP Capital led the acquisition of Olex’s business from Pacific Dunlop.

Difficult trading conditions during the early stages of the investment signalled a key inflection point for AMP Capital as the majority institutional investor – to reinvest and continue supporting management or reduce its exposure through a ‘cut and run’ strategy.

AMP Capital took a long term view on its investment and oversaw a significant reinvestment programme that saw the company undertake a substantial restructuring which:

- reduced costs;
- improved efficiency;
- raised the brand profile;
- achieved a closer alignment with key customer needs through the development of new products and services; and
- focused on expansion into new markets.

These initiatives transformed Olex into a highly profitable business and provided a solid platform for sustained future earnings growth.

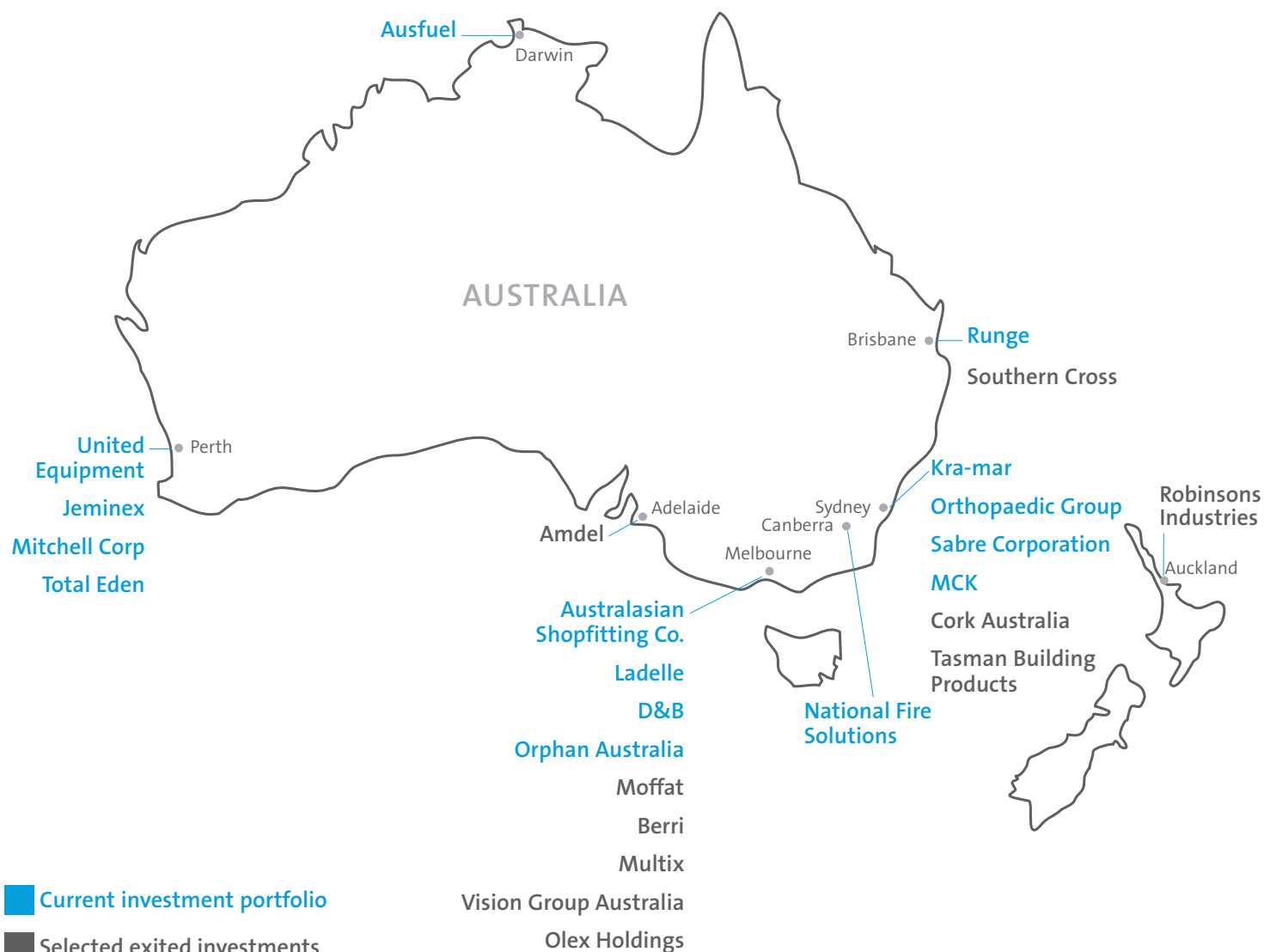
AMP Capital’s exit – reward for effort

After achieving a substantial turnaround of the business, AMP Capital recognised that Olex was ready for the next stage of its development and, with management, commenced planning its exit.

As part of its exit process, AMP Capital took a practical approach to the negotiation of sale documentation with a view to maximising returns for its investors and management, whilst minimising risk.

At the conclusion of a successful competitive sale process, AMP Capital sold Olex to Nexan’s in 2006, achieving an IRR of approximately 20% pa over its seven year investment period and achieving a money multiple of 3.5 times the original investment.

Investment footprint



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Further information

If you would like to know more about how AMP Capital can help you, please contact one of the following:

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