



Ironbridge



Media Release
For immediate release

Future Growth of Super A-Mart and Barbeques Galore Assured as Quadrant joins Ironbridge as Investor in Both Businesses

- Rollout of 30 stores around Australia over the next five years
- Approximately 1000 new retail jobs to be created

Sydney, 15 August 2012: Leading Australian private equity groups, Quadrant Private Equity and Ironbridge Capital have established a new entity for the common ownership of two complementary and specialised retail businesses, Super A-Mart and Barbeques Galore.

Quadrant is acquiring shares in both businesses and Ironbridge is rolling its existing investments into the new combined entity. Quadrant will be the majority shareholder in the new entity.

A new five year debt package has been executed with funding provided by a combination of seven existing and new lenders which will enable new growth in the businesses. The new group has raised facilities of around \$250m, showing strong support for the group and its strategy.

Super-A Mart and Barbeques Galore both occupy leading positions in their respective markets with substantial new store rollout potential. The combined group will generate sales approaching \$0.75bn. While Super A-Mart and Barbeques Galore will continue to trade as separate businesses, this venture will enable the businesses to share resources and retail knowledge and take advantage of any synergies that arise.

Managing Director of Quadrant, Chris Hadley said: "We have looked at a lot of retail opportunities and consider this to be one of the most exciting. This is a scale business with both Super A-Mart and Barbeques Galore leaders in their categories with significant growth opportunities."

Greg Ruddock, Co-Chief Executive of Ironbridge welcomed the new venture. "We are very pleased to partner up with Quadrant to continue to develop these two great retailers with a balance sheet that better supports our growth plans."

Director of Quadrant Marcus Darville said: "Super A-Mart has a demonstrated and proven track record of opening new stores both in its home state of Queensland and in other states. We intend to continue and accelerate this rollout."

Furniture retailing in Australia is highly fragmented, with independent operators accounting for 75%. This presents good opportunities for scale operators to consolidate.

The transaction represents a significant vote of confidence in the market position and future of both businesses. Ironbridge acquired Barbeques Galore in 2005 and Super A-Mart in 2006 and in that time has overseen significant growth and expansion of the businesses with Super A-Mart particularly rolling out 12 new "big box" stores over the last 3 years, taking what was a Queensland business to be a leading national retailer.

Quadrant brings significant experience to the combined group with its successful investment track record in the Australian retail sector including Pumpkin Patch, Kathmandu and Red Rooster/Oporto Group.

Super A-Mart has generated growth of 13% per annum over the past 25 years and is enjoying strong growth in the post-GFC environment. Super A-Mart recorded 4% like-for-like sales growth in 2012, attesting to its strong and differentiated customer value proposition.

Over the past 3 years, Super A-Mart has successfully rolled out 12 new "big box" stores averaging around 6,000sqm in size, taking what was a QLD business to being a leading national retailer.

Quadrant and Ironbridge plan to continue the rollout-led growth by opening a further 30 stores over the next five years. This will create 1,000 new retail jobs. Super A-Mart has a strong pipeline of attractive sites to enable this, and will continue working closely with landlords and developers to secure prime sites.

From an industry perspective, Super A-Mart and Barbeques Galore are well positioned. The Australian furniture retail market is a \$12.1bn sector (source: ABS) which has grown at a compound annual growth rate of 5% over the last decade. Furniture retail is one of the few retail sectors in Australia which is experiencing growth and also one of the few that is defensive against the threat of on-line international retailers, as furniture is a high touch purchase.

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About Quadrant Private Equity

Quadrant Private Equity is one of the leading private equity providers in the Australian market with \$1.5 billion of funds under management specifically dedicated for investing in private equity. Quadrant takes a balanced approach to creating a diversified portfolio of investments encompassing management buyouts, management buyins and growth capital opportunities.

About Ironbridge Capital

Ironbridge is a leading provider of private equity capital for growth businesses in the Australasian marketplace. Ironbridge is focused on investments in medium sized management buyout and expansion capital transactions domiciled in Australia and New Zealand.