

PRESS RELEASE

Quadrant Buys Majority Stake in Barbeques Galore, Super A-Mart

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PUBLISHED: AUGUST 15, 2012

WALL STREET JOURNAL

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Australia's Quadrant Private Equity has bought a majority stake in two retailers, Barbeques Galore and Super A-Mart, acquiring Singapore's GIC Special Investments's holding in the latter.

Quadrant injected 130 million Australian dollars (US\$136 million) for its around 60% equity stake, which includes a small portion on behalf of co-investors Macquarie Group and Partners Group.

Quadrant's investment represents six times forecast fiscal 2013 earnings before interest, tax, depreciation and amortization, or Ebitda.

Quadrant director Marcus Darville told Deal Journal Australia the group would seek to open six new Super A- Mart stores a year, double its recent track-record.

"We think it's got a good competitive position in the market as the number one player in Queensland, and number three nationally behind Harvey Norman and Fantastic Furniture," Mr. Darville said.

Both Macquarie and Partners Group joined Australian private equity firm Ironbridge in rolling over existing equity stakes, totaling around 35%. Management of the merged entity own the remaining 5%.

Ironbridge Joint Chief Executive Neil Broekhuizen told Deal Journal Australia the transaction gave his fund the ability to ride the cycle, adding that depressed housing starts affected the group's ability to fund store rollouts.

"We were obviously nearing the time for refinancing and this deal has enabled us to release one of our co-investors, GIC, who didn't want to continue to participate," Mr. Broekhuizen said. Ironbridge completed a management buyout of Barbeques Galore in 2005 and bought Super A-Mart from founder John Van Lieshout for around A\$500 million in 2006. Oaktower Partnership advised Ironbridge Capital on both the LBO of NASDAQ listed Barbeques Galore (in a public-to-private transaction) and the LBO of Super A-Mart.

"Bringing Barbeques Galore into the group will bring greater robustness and synergies, we've more than quadrupled its profits in the past three years to around A\$13 million and we believe management will apply similar metrics to the combined group," Mr. Broekhuizen said.

Deutsche Bank and GE Capital provided new mezzanine and senior debt, respectively, joining five existing lenders.

Both Quadrant and Ironbridge are eyeing an exit in two to three years, and an initial public offering is on the radar.

"If we achieve the goal of becoming the largest furniture retailer in the country, it will allow multiple exit options including an IPO," Mr. Broekhuizen said.

Deutsche Bank and Macquarie Capital advised Quadrant and Ironbridge respectively.

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